



Awdurdod Tan ac Achub
Canolbarth a Gorllewin Cymru
Mid and West Wales
Fire and Rescue Authority

STATEMENT OF ACCOUNTS 2022/23



Gwasanaeth Tân ac Achub
Canolbarth a Gorllewin Cymru
Mid and West Wales
Fire and Rescue Service

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The maintenance and integrity of the Authority's website is the responsibility of the Authority; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Narrative Report

Introduction

The purpose of this narrative is to explain the structure of the accounts, briefly describe the activity and structure of the Mid and West Wales Fire and Rescue Authority and consider the overall financial position of the Authority in the current economic context.

Organisational Overview

Mid and West Wales Fire and Rescue Authority (the Authority) was created in 1996 by the Local Government (Wales) Act 1994, following the merger of Dyfed, Powys and West Glamorgan Brigades. The Authority is responsible for providing an efficient and effective fire and rescue service to the communities of mid and west Wales. The Authority covers 6 unitary authority areas and is made up of 25 elected members drawn from those authorities, representative to the number of registered electors.

The Authority appoints a Chief Fire Officer with delegated authority to lead the Mid and West Wales Fire and Rescue Service (the Service). The Service makes up almost two-thirds of Wales, covering a predominantly rural area of 12,000 square kilometres, comprising 58 fire stations, and employing approximately 1,320 staff. It is the third largest Service in the United Kingdom, behind the Scottish and Northern Ireland Fire Services.

There are a variety of risks found within the Service area, ranging from the petrochemical industries in Milford Haven, to the risks associated with heavily populated areas such as Swansea and Neath Port Talbot. There is also a large farming community and many other light industries throughout the area. These, together with an extensive coastline and inland waterways, form some of the specialised risks found within the Service.

Our Strategic Plan 2022-2027 sets out our vision for the future, “to be a World Leader in Emergency Response and Community Safety, and is designed to deliver our vision, mission, and values. The Commitments highlighted in the Strategic Plan are delivered through the provision of an Annual Business Improvement Plan, which sets out what we will do to deliver against our five-year Commitments. The Authority also produces annual plans for managing down risks and improving services with an increasing emphasis on prevention and education.

The Service is actively engaged in working with the communities it serves, an example of which is carrying out Home Safety checks. The Authority works in partnership with South Wales Fire and Rescue Service, North Wales Fire and Rescue Service and other emergency services, for example, the Welsh Ambulance Service Trust (WAST), Dyfed Powys Police and South Wales Police with some of their resources being located at several of our properties; also the WAST through the Co-Responder scheme which enables On-Call firefighters to respond to certain medically related calls as agents of WAST. Other initiatives include our participation in the community through fire cadets operated by off duty firefighters with branches across Mid and West Wales, the Phoenix project which has proved very successful with youth groups in the area, and community volunteers.



The Service is committed to the Well-being of Future Generations (Wales) Act 2015, and we have embraced our duties and our role as a statutory partner across our six Public Services Boards. We understand the purpose and aim of the Act and are committed to ensuring we consider the long-term impact of our decisions on the communities we serve.

The Authority's Statement of Accounts is a publication required by law; the prime purpose of which is to give clear information about the financial position and the financial performance of Mid and West Wales Fire and Rescue Authority for the financial year 2022/23.

The statements and their purposes are as follows:

Statement of Responsibilities for the Statement of Accounts

This sets out the respective responsibilities of the Authority and its officers for the preparation and approval of the Statement of Accounts.

Comprehensive Income and Expenditure Statement (CIES)

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in both Expenditure and Funding Analysis and the Movement in Reserves Statement.

Fire and Rescue Authorities are considered to be "one service" entities and the "provision of Fire Services" is presented as one-line in the CIES.

Movement in Reserves Statement (MiRS)

The MiRS shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e., those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The (Surplus) or Deficit on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. This is different from the statutory amounts required to be charged to the General Fund Balance, and the Increase / Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves are undertaken by the Fire and Rescue Authority.

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e., those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

Cash Flow Statement (CFS)

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

Firefighters Pension Fund Account

This shows the financial position of the Firefighters pension fund account, indicating whether the Authority owes, or is owed money by the Welsh Government to balance the account, together with details of its net assets.

Expenditure and Funding Analysis (EFA)

The EFA is a disclosure note, it brings together Authority performance reported on the basis of expenditure measured under proper accounting practices with statutorily defined charges to the General Fund.

Notes to the Accounting Statements

The notes present information about the basis of preparation of the financial statements and the specific accounting policies used. They disclose information not presented elsewhere in the financial statements but is relevant to an understanding of them.

Annual Governance Statement

This statement provides a continuous review of the effectiveness of the Authority's governance framework including the system of internal control and risk management systems, to give assurance on their effectiveness and/or to produce a management action plan to address identified weaknesses.

The Annual Governance Statement accompanies the Statement of Accounts but is not part of the Statement.

Summary of the Financial Year

The Revenue Budget and Capital Programme for 2022/23 were approved by Fire Authority on 7 February 2022.

The Revenue Budget approved for 2022/23 was £53.824m. As can be seen in table below, expenditure was £1.932m overspent, of which circa £1.3m related to higher pay awards for all staff. The Capital Financing Charges budget and actual outturn both include an appropriation to the Capital Fund of £1.124m. Additional income of £1.001m was received in year relating to

apprenticeships, site-sharing, investment income and a business rates' revaluation exercise, of this additional income £245k related to prior years.

The contributions received from Unitary Authorities totalled £53.824m and Welsh Government grant for pensions of £1.844m were in line with the approved budget.

Net transfers from reserves totalled £438k including £245k of prior year income appropriated to the Levy Equalisation reserve to fund budget pressures in 2023/24 and a net appropriation of (£683k) from reserves, utilised in accordance with the Reserves Strategy and approved Medium-Term Financial Plan. Reserve-funded expenditure included fixed term Corporate Risk Manager, Job Evaluation exercise, Net Zero Carbon feasibility study, operational training courses and the Community Risk Management Plan (CRMP). The deficit revenue outturn of £484k has been funded from the Levy Equalisation reserve.

Revenue for the year compared to budget is detailed in the following table:

Outturn for the year 2022/23	Budget £000	Actual £000	Variance £000
Revenue			
Expenditure including grants	53,749	55,681	1,932
Capital Financing Charges	4,748	4,739	(9)
Income including grants	(2,829)	(3,830)	(1,001)
WG funding - Firefighter Pension Scheme additional Employer Contributions	(1,844)	(1,844)	0
Net Expenditure including grants	53,824	54,746	922
Unitary Authority contributions	(53,824)	(53,824)	0
Transfer to / (from) Reserves	0	(438)	(438)
(Surplus) / Deficit	0	484	484

The Authority incurs revenue spending on items, which are generally consumed within the year, and this is financed by contributions from the six constituent local authorities in proportion to population. For 2022/23, the Levies and proportions were as follows:

Constituent Local Authorities	Levy £000	Proportion %
Carmarthenshire County Council	11,170	21
Ceredigion County Council	4,193	8
Neath and Port Talbot County Borough Council	8,513	16
Pembrokeshire County Council	7,444	14
Powys County Council	7,812	14
City and County of Swansea Council	14,692	27
Total	53,824	100

Revenue Sources of Funding

The Authority receives revenue from the following sources:

2021/22 £000		2022/23 £000
2,411	Revenue Grants	2,328
6	Interest	110
1,481	Fees & Charges / Cost Recovery / Reimbursements*	1,392
3,898	Sub Total	3,830
1,832	WG funding - Firefighter Pension Scheme additional Employer Contributions	1,844
51,779	Unitary Authority Contributions	53,824
57,509	Total Revenue Funding	59,498

* Includes business rates revaluation refund relating to prior years: 2021/22 £414k & 2022/23 £245k

Capital Expenditure

Capital expenditure in the year totalled £8.626m. The following table sets out expenditure by category and financing for 2022/23.

	Estimate 2022/23 £000	Revised Estimate 2022/23 £000	Actual 2022/23 £000	Estimate 2023/24 £000
Expenditure:				
Property – Refurbishments, adaptations, new buildings	3,300	5,076	798	3,040
Infrastructure	35	398	253	120
Vehicles, Plant & Equipment	5,477	9,514	4,672	6,026
Assets under Construction	0	0	2,849	0
Intangible Assets	180	182	54	250
Total Capital Expenditure	8,992	15,170	8,626	9,436
Financed by:				
Capital Grants & Contributions	1,238	1,184	744	1,040
Capital Receipts	0	0	140	0
Earmarked Reserves	1,439	2,550	2,271	1,694
Borrowing	6,315	11,436	5,471	6,702
Total Financing	8,992	15,170	8,626	9,436

The original Capital Programme of £8.992m was approved by Fire Authority in February 2022 and subsequently revised for slippage, rephasing and reprofiling of projects to £15.170m as approved by Fire Authority in February 2023. The approved Capital Programme reflects the year in which a

project will commence and not necessarily the year in which the expenditure will be incurred as this will depend on the life span of the project.

The variance between the revised budget and actual outturn is attributable, in part, to the following: property projects, including Minor Works £0.695m and Earlswood Redevelopment £2.089m; ICT equipment and software £0.596m; Vehicles £2.017m. Assets Under Construction includes equipment stage payments for nine rescue pumps, a National Resilience van and work at Earlswood on the Compartment Fire Behaviour Training (CFBT) unit.

The approved Capital Programme for 2023/24 will be amended to reflect the following changes: where projects in 2022/23 have not been completed as at 31 March 2023, the resource may be rolled over to 2023/24, changes to grant assumptions, rephasing and reprofiling of projects, deletion of projects no longer required and inclusion of new projects where additional resources have been secured.

Capital Borrowing

The Prudential Code allows the Authority to determine its own borrowing limits subject to the Responsible Financial Officer deeming it to be prudent, sustainable and affordable. There were six new external loans totalling £5.5m raised in the year with the Public Works Loan Board (PWLb). The total principal outstanding as at 31 March 2023 is £27.62m.

Treasury Management

The Authority's Treasury Management Strategy Statement (TMSS) 2022/23 was approved by Fire Authority on 7 February 2022.

The TMSS sets out the Capital Prudential Indicators including Minimum Revenue Provision Policy, Borrowing, and Annual Investment Strategy. Included within the TMSS are the Prudential Indicators and Treasury Management Indicators.

For the year ended 31 March 2023 borrowing transactions were within approved limits and all investments met the creditworthiness criteria at the date of deposit.

The table below details the Capital Financing Requirement (CFR) compared to External Debt.

	Estimate 2022/23 £000s	Actual 2022/23 £000s
Capital Financing Requirement		
Opening 1 April 2022	40,989	32,569
Movement in CFR represented by:		
Net financing need for the year	6,315	8,626
Direct Revenue Contributions / Capital Receipts / Grants & Contributions	0	(3,155)
Less Minimum Revenue Provision / Voluntary Revenue Provision	(2,799)	(2,558)
Movement in CFR	3,516	2,913
Closing 31 March 2023	44,505	35,482
External Debt		
External Borrowing	35,186	27,620
Finance Lease Liabilities	3,095	2,095
Total External Debt	38,281	29,715
Under / (Over) Borrowed	6,224	5,767

Pension liability

In 2022/23, twenty-nine members of staff retired. The net cost of the Firefighters Pension Scheme to the revenue budget has decreased in year, as has the liability in terms of future pension commitments, primarily due to actuarial gains arising from changes in demographic and financial assumptions. The actuarially assessed liability as at 31 March 2023 for the Firefighters Pension Fund was £373.587m.

The net cost of the Local Government Pension Scheme to the revenue budget has also decreased in year, due to actuarial gains arising from changes in demographic and financial assumptions and as a consequent the Local Government Pension Scheme fund is reporting an asset as at 31 March 2023 of £3.921m.

Under International Accounting Standard 19 (Employee Benefits) the Authority is required to provide details of assets and future liabilities for pensions payable to employees, both past and present. This is outlined in greater detail in the disclosures to the accounts, note 30.

Reserve Accounting

At the end of the financial year, the Statement of Accounts shows financial reserves carried forward into 2023/24. This is consistent with the accounting treatment of previous years, with the maintenance and utilisation of reserves forming a cornerstone of corporate financial stability and operational service planning in the short and medium term.

Capital Financing Costs

The charge made to the Service revenue accounts to reflect the cost of non-current assets used in the provision of services was £4.296m. This is a notional charge for depreciation and amortisation, and an adjustment is made to the year-end balance, so the contributions required to fund the Service are not affected. The actual cost to the Service for financing capital is £790k for loan and finance lease interest, £2.558m Minimum Revenue Provision and £2.271m revenue contribution.

Impact of the Current Economic Climate

The financial implications of the current economic climate were reflected in the updated Medium Term Financial Strategy which was reported to the Fire Authority in September 2022. In practice, the Authority has the power to request the resources it requires to fund its services regardless of Local Authority settlements. However, the Authority recognises its responsibility in ensuring that it doesn't exacerbate the financial challenges faced by Local Authorities and therefore systematically reviews its budget for opportunities to create savings and budget reductions through, for example, budget reconfiguration, review of budget assumptions, vacancy provisions, method of staffing budgeting, and treasury management practices.

Both Brexit and the war in Ukraine are impacting on supply chains and delays have been experienced in some areas of the business. For example, lead-in times of up to 18 months for frontline appliances are being experienced and delays in delivery of operational equipment are also being reported, together with elevated energy costs.

The cost-of-living crisis in 2022 has seen prices rising faster than spendable income and inflation is running at levels not seen since the 1980s. Consumer Prices Inflation (CPI) peaked at 11.1% in October 2022 pushed up by energy and goods prices. Whilst it is now slowly decreasing there remains uncertainty around the pace at which CPI inflation will return sustainably to the Bank of

England Monetary Policy Committee 2% target. Economists predict it will be 2025 before inflation is reduced to this target. The Bank of England has raised interest rates from historic lows, 0.10% in March 2020 to 4.5% in May 2023, being at a level not experienced since 2008. In the meantime, the Authority along with all other public and private sector organisations is faced with revenue pressures arising from pay awards and prices inflation, and higher borrowing costs impacting the affordability of capital investment. The Authority has robust budget monitoring processes in place recognising that pressures on both revenue and capital are likely to materialise over the coming years.

Strategy and Resource Allocation

Our Medium-Term Financial Strategy (MTFS) pulls together in one place all known factors affecting the financial position and financial sustainability of an organisation over the medium term. The MTFS balances the financial implications of objectives and policies against constraints in resources and provides the basis for decision making.

The Capital Programme and Revenue Budgets are prepared to support the delivery of the authority's strategies and plans.

The Strategic Plan 2022-2027 sets out our vision for the future and identifies how this will be achieved through our five-year Commitments and Improvement and Well-being Objectives as set out in our Annual Business improvement Plan.

The Annual Performance Assessment informs our staff, communities and stakeholders what outcomes and benefits have been delivered against the previous year's Improvement Objectives. It also identifies how we have contributed to the Well-being goals, set out within the Well-being of Future Generations (Wales) Act 2015.

The Sustainability and Environment Plan sets out the main principles, proposals and required actions to reduce the environmental impacts of the Service's activities and operations.

The Strategic Equality Plan conveys the continued commitment of the Authority and the Chief Fire Officer to promote equality of opportunity across Mid and West Wales Fire and Rescue Service's functions, policies, practices and procedures and sets out how the Service will seek to fulfil this commitment.

The Authority's Plans are available on its website.

We have continued to maintain a level of service which has ensured the communities of Mid and West Wales remain safe places to live, work and visit. Our overall financial standing has been maintained at a prudent level albeit a decrease in the level of Usable Reserves at the year end. The majority of our reserves are earmarked for specific purposes, whether this is to address liabilities now or in the future e.g. Employee and Pensions reserve, or for financing specific capital schemes.

Additional Information

Additional information about these accounts is available from the Section 151 Officer to the Authority and the Head of Finance. Interested members of the public also have a statutory right to inspect the accounts before the audit is completed; availability of the accounts for inspection is advertised on the Mid and West Wales Fire and Rescue Authority website.

Acknowledgements

Finally, I wish to thank all Finance staff within the Resources Directorate, and their colleagues throughout the Authority, who have worked on the preparation of these statements. I also wish to thank the Chief Fire Officer and the leadership team for their assistance and co-operation throughout this process.

Sarah Mansbridge FCCA – Section 151 Officer

Statement of Responsibilities

The Authority's Responsibilities

The Authority is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Chief Financial Officer,
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- to approve the Statement of Accounts.

FIRE AUTHORITY APPROVAL

Approval of Statement of Accounts post audit.

Signature: 

Chair of Fire Authority

Date: 25 September 2023

The Chief Financial Officer's Responsibilities

The Chief Financial Officer is responsible for the preparation of the Authority's Statement of Accounts, including the Pension Fund Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ("the Code").

In preparing this statement of accounts, the Chief Financial Officer has:

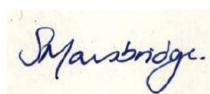
- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Local Authority Code.

The Chief Financial Officer has also:

- kept proper accounting records, which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

CERTIFICATE OF THE CHIEF FINANCIAL OFFICER

I certify that the accounts provide a true and fair view of the financial position of the Authority as at the 31 March 2023 and its income and expenditure for the year then ended.

Signature: 

Date: 25 September 2023

Chief Financial Officer

The independent auditor's report of the Auditor General for Wales to the members of Mid and West Wales Fire and Rescue Authority

Opinion on financial statements

I have audited the financial statements of:

- Mid and West Wales Fire and Rescue Authority;
 - Mid and West Wales Fire and Rescue Authority's Firefighters Pension Fund
- for the year ended 31 March 2023 under the Public Audit (Wales) Act 2004.

Mid and West Wales Fire and Rescue Authority's financial statements comprise the Expenditure and Funding Analysis, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Movement in Reserves Statement, the Cash Flow Statement and the related notes, including the significant accounting policies.

The Firefighters Pension Fund Accounts comprise the Fund Account and Net Assets Statement and related notes including the significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of Mid and West Wales Fire and Rescue Authority and the Mid and West Wales Fire and Rescue Authority's Firefighters Pension Fund as at 31 March 2023 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of Mid and West Wales Fire and Rescue Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Mid and West Wales Fire and Rescue Authority and Mid and West Wales Fire and Rescue Authority's Firefighters

Pension Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23;
- The information given in the Annual Government Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of Mid and West Wales Fire and Rescue Authority and Mid and West Wales Fire and Rescue Authority's Firefighters Pension Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit.
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for:

- the preparation of the statement of accounts, which give a true and fair view and comply with proper practices;
- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error; and
- assessing the Mid and West Wales Fire and Rescue Authority and Mid and West Wales Fire and Rescue Authority's Firefighters Pension Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by Mid and West Wales Fire and Rescue Authority and Mid and West Wales Fire and Rescue Authority's Firefighters Pension Fund will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with section 13(2) of the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the Mid and West Fire and Rescue Authority's Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Mid and West Wales Fire and Rescue Authority and Mid and West Wales Fire and Rescue Authority's Firefighters Pension Fund's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud via the posting of unusual journals;
- Obtaining an understanding of Mid and West Wales Fire and Rescue Authority and Mid and West Wales Fire and Rescue Authority's Firefighters Pension Fund's framework of authority as well as other legal and regulatory frameworks that Mid and West Wales Fire and Rescue Authority and Mid and West Wales Fire and Rescue Authority's Firefighters Pension Fund's operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Mid and West Wales Fire



and Rescue Authority and Mid and West Wales Fire and Rescue Authority's Firefighters Pension Fund; and

- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Performance, Audit and Scrutiny Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Mid and West Wales Fire and Rescue Authority and Mid and West Wales Fire and Rescue Authority's Firefighters Pension Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Mid and West Wales Fire and Rescue Authority and Mid and West Wales Fire and Rescue Authority's Firefighters Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton
Auditor General for Wales
5 October 2023

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

Expenditure and Funding Analysis (EFA)

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (contributions from constituent authorities, government grants, other income etc.) by the Authority in comparison with those resources consumed or earned by the Authority in accordance with generally accepted accounting practices. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

The EFA is a note to the financial statements not a primary statement. However, it has been positioned with the primary statements to aid the readers understanding.

2021/22			2022/23		
Net Expenditure Chargeable to the General Fund Balance £000	Adjustments between the Funding & Accounting Basis £000	Net Expenditure in Comprehensive Income and Expenditure Statement £000	Net Expenditure Chargeable to the General Fund Balance £000	Adjustments between the Funding & Accounting Basis £000	Net Expenditure in Comprehensive Income and Expenditure Statement £000
46,027	9,424	55,451	50,386	6,547	56,933
(45,617)	5,109	(40,508)	(48,318)	8,644	(39,674)
410	14,533	14,943	2,068	15,191	17,259
General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000
(1,333)	(7,966)	(9,299)	(1,336)	(7,553)	(8,889)
410	0	410	2,068	0	2,068
(413)	413	0	(2,612)	2,612	0
(1,336)	(7,553)	(8,889)	(1,880)	(4,941)	(6,821)

Core Financial Statements

Comprehensive Income and Expenditure Statement (CIES)

2021/22			2022/23			
Expenditure	Income	Net		Expenditure	Income	Net
£000	£000	£000		£000	£000	£000
61,175	(5,724)	55,451	Provision of Fire Services	62,498	(5,565)	56,933
61,175	(5,724)	55,451	Cost of Services	62,498	(5,565)	56,933
		(40)	Other Operating Income and Expenditure			(97)
		11,859	Financing and Investment Income and Expenditure (Note 10)			14,991
		(52,327)	Taxation and Non-Specific Grant Income (Note 11)			(54,568)
		14,943	(Surplus) or Deficit on Provision of Services			17,259
		(5,060)	(Surplus) or deficit on revaluation of Property, Plant and Equipment (Note 18a)			(5,022)
		(32,153)	Remeasurement of the net defined benefit liability / (asset) (Note 18c)			(185,786)
		(37,213)	Other Comprehensive (Income) and Expenditure			(190,808)
		(22,270)	Total Comprehensive (Income) and Expenditure			(173,549)

Movement in Reserves Statement (MiRS)

Movement in Reserve Statement 2022/23	General Fund Balance	General Fund Reserves	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Fire Authority Reserves
Balance 31 March 2022	(1,336)	(7,553)	0	(8,889)	489,040	480,151
Movements:						
(Surplus) / Deficit on provision of services	17,259	0	0	17,259	0	17,259
Other CIES	0	0	0	0	(190,808)	(190,808)
Total CIES	17,259	0	0	17,259	(190,808)	(173,549)
Adjustments accounting & funding (Note 8)	(15,191)	0	0	(15,191)	15,191	0
Net (Increase) / Decrease before transfer	2,068	0	0	2,068	(175,617)	(173,549)
Transfers To / (From) Reserves (Note 9)	(2,612)	2,612	0	0	0	0
(Increase) / Decrease in 2022/23	(544)	2,612	0	2,068	(175,617)	(173,549)
Balance 31 March 2023	(1,880)	(4,941)	0	(6,821)	313,423	306,602

Movement in Reserves Statement 2021/22	General Fund Balance	General Fund Reserves	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Fire Authority Reserves
Balance 31 March 2021	(1,333)	(7,966)	0	(9,299)	511,720	502,421
Movements:						
(Surplus) / Deficit on provision of services	14,943	0	0	14,943	0	14,943
Other CIES	0	0	0	0	(37,213)	(37,213)
Total CIES	14,943	0	0	14,943	(37,213)	(22,270)
Adjustments accounting & funding (Note 8)	(14,533)	0	0	(14,533)	14,533	0
Net (Increase) / Decrease before transfer	410	0	0	410	(22,680)	(22,270)
Transfers To / (From) Reserves (Note 9)	(413)	413	0	0	0	0
(Increase) / Decrease in 2021/22	(3)	413	0	410	(22,680)	(22,270)
Balance 31 March 2022	(1,336)	(7,553)	0	(8,889)	489,040	480,151

Balance Sheet

31 March 2022 £000	Balance Sheet	Note	31 March 2023 £000
82,563	Property, Plant & Equipment	12	89,257
882	Assets Under Construction	12	2,849
425	Intangible Assets	13	377
31	Long Term Debtors	15	30
83,901	Long Term Assets		92,513
772	Inventories		754
4,190	Short Term Debtors	15	4,128
2,737	Cash and Cash Equivalents	16	1,178
7,699	Current Assets		6,060
(234)	Short Term Borrowing	14	(3,218)
(6,548)	Short Term Creditors	17	(5,531)
(243)	Revenue Grants Receipts in Advance	25	(135)
(473)	Capital Grants Receipts in Advance	25	0
(423)	Other Short-Term Liabilities	28	(299)
(7,921)	Current Liabilities		(9,183)
(22,120)	Long Term Borrowing	14	(24,530)
(2,095)	Other Long-Term Liabilities	28	(1,796)
(539,615)	Liability related to defined benefit pension scheme	30	(369,666)
(563,830)	Long Term Liabilities		(395,992)
(480,151)	Net Liabilities		(306,602)
(8,889)	Usable Reserves	9	(6,821)
489,040	Unusable Reserves	18	313,423
480,151	Total Reserves		306,602

Cash Flow Statement

2021/22		2022/23
£000		£000
14,943	Net (surplus) or deficit on the provision of services	17,259
(20,668)	Adjustment to surplus or deficit on the provision of services for noncash movements	(19,827)
668	Adjustment for items included in the net surplus or deficit on the provision of services that are investing or financing activities	884
(5,057)	Net cash (inflow) / outflow from operating activities	(1,684)
7,011	Net cash (inflow) / outflow from investing activities	8,485
(4,013)	Net cash (inflow) / outflow from financing activities	(5,242)
(2,059)	Net (increase) or decrease in cash and cash equivalents	1,559
678	Cash and cash equivalents at the beginning of the reporting period	2,737
2,737	Cash and cash equivalents at the end of the reporting period	1,178

A detailed breakdown of the Cash Flow is provided in Notes 19 to 21.

Notes to the Core Financial Statements

Note 1 - Accounting Policies

1. General Principles

The Statement of Accounts summarises the Authority's transactions for the 2022/23 financial year and its position at the year-end. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

2. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

3. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

4. Prior Period Adjustments, Changes in Accounting Policies, Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

5. Charges to Revenue for Non-current Assets

Services are debited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the Service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible assets attributable to the Service.

The Authority is not required to raise a levy to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance (Minimum Revenue Provision) by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

6. Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement to the Accumulated Absences Account so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the



Authority can no longer withdraw the offer of those benefits or when the Authority recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-employment Benefits

Employees of the Authority are members of two separate pension schemes:

- the Local Government Pensions Scheme, administered by Dyfed Pension Fund, Carmarthenshire County Council
- the Firefighter Pension Scheme, administered by Dyfed Pension Fund, Carmarthenshire County Council

Both schemes provided defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Authority. However, the Local Government Pension Scheme is funded through the ownership of assets, the Firefighter Pension Scheme is unfunded.

The Local Government Pension Scheme LGPS

The LGPS is accounted for as a defined benefits scheme:

- The liabilities of the Dyfed Pension Fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 4.8% (based on the indicative rate of return on high quality corporate bonds).
- The assets of Dyfed Pension Fund attributable to the Authority are included in the Balance Sheet at their fair value:
 - quoted securities – current bid price
 - unquoted securities – professional estimate
 - unitised securities – current bid price
 - property – market value

The change in the net pension liability is analysed into the following components:

- Service cost comprising:
 - Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
 - Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.
 - Net interest on the net defined benefit liability (asset), i.e. net interest expense for the Authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and

Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

- Remeasurements comprising:
 - The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
 - Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
 - Contributions paid to the Dyfed Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

The Firefighter Pension Scheme FFPS

The FFPS is accounted for as an unfunded defined benefits scheme, the scheme has no assets and no investment income:

- The liabilities of the Fund are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 4.65% (based on Government bond yields of appropriate duration plus an additional margin).

The change in the net pension liability is analysed into the following components:

Service cost comprising:

- Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
- Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.
- Net interest on the net defined benefit liability, i.e. net interest expense for the Authority – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period – taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

Remeasurements comprising:

- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.



- Contributions paid to the Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension funds or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the LGPS and FFPS.

7. Events After the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

8. Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics.

There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI)

The authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified at amortised cost.

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Expected Credit Loss Model

The authority has adopted a simple approach to impairment and measures the loss of Trade Debtors and Loans to Third Party at an amount equal to expected lifetime loss using a provision based on a combination of age of debt and historic collection rates. This method ensures early recognition of the impairment of financial assets.

9. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- the Authority will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation



and Non-specific Grant Income and Expenditure (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

10. Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life in the Comprehensive Income and Expenditure Statement over a range of 3 to 15 years.

11. Inventories and Long-term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the First in, First Out (FIFO) costing formula.

Long-term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

12. Joint Operations

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The activities undertaken by the authority in conjunction with other joint operators involve the use of the assets and resources of those joint operators. In relation to its interest in a joint operation, the authority as a joint operator recognises:

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities incurred jointly
- its revenue from the sale of its share of the output arising from the joint operation
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly.

13. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Authority as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred. Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, plant and equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Authority at the end of the lease period).

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

The Authority as Lessor

Finance Leases

Assets disposed of under finance leases shall be written out of the Balance Sheet and an amount recognised in the Balance Sheet as a receivable debtor that reflects the net investment in the lease as defined by the appropriate accounting standard.

The capital element of any rental due under a finance lease shall be accounted for as a capital receipt, the debtor and the equivalent liability being written down by that amount. The finance element shall be treated as revenue income.



14. Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, or for administrative purposes and that are expected to be used during more than one financial year are classified as property, plant and equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Property, Plant and Equipment are capitalised where:

- it is held for use in delivering services
- it is probable that future economic benefits will flow to, or service potentially be provided to, the Authority
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the cost of the individual asset is at least £10,000
- the collective cost of a full asset refresh of personal protective equipment is at least £40,000
- the items form a group of assets which:
 - individually have a cost of at least £500 and collectively have a cost of at least £40,000
 - the assets are functionally interdependent
 - have broadly simultaneous purchase dates
 - are anticipated to have simultaneous disposal dates
 - are under single managerial control
- the items form part of the initial equipping and setting-up cost of a new building or refurbishment of a station or offices, irrespective of their individual or collective cost. Where a large asset, for example a building, includes a number of components with significantly different asset lives e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.
- the items form part of the initial equipping and setting-up cost of a new appliances or vehicle, irrespective of their individual or collective cost.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price,
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

The Authority does not capitalise borrowing costs incurred while assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-specific Grant Income and Expenditure line

of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure – depreciated historical cost
- Assets under construction – historical cost
- Authority offices – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)
- Surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Where decreases in value are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist, and any possible differences are estimated to be not insignificant, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all property, plant and equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain community assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer
- vehicles, plant, furniture and equipment – straight-line allocation as advised by a suitably qualified officer
- infrastructure – straight-line allocation (5-40 years)

Where an item of property, plant and equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any losses previously recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on assets held for sale.

If assets no longer meet the criteria to be classified as assets held for sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as held for sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as assets held for sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal are categorised as capital receipts. The balance of receipts remains within the Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement. Receipts under £10,000 and miscellaneous receipts not related to disposal of assets cannot be treated as capital items and shall be credited to the CIES.

15. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement when the Authority has an obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Authority settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

16. Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund Balance. These reserves are explained in the relevant notes to the Balance Sheet.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the Authority.

17. Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs (HMRC). VAT receivable is excluded from income.

Note 2 - Accounting Standards that have been issued but have not yet been adopted

Where a new Standard has been published but has not yet been adopted by the Code, the Authority is required to disclose information relating to the impact of the accounting change. The changes that are introduced by the 2023/24 Code are:

- IFRS 16 Leases (but only for those local authorities that have decided to voluntarily implement IFRS 16 in the 2023/24 year).
- Where an authority adopted IFRS 16 in 2022/23 but chose to defer implementation of IFRS 16 to PFI/PPP arrangements until 2023/24 information on that more specific accounting change will be required in its 2022/23 statements of accounts.
- Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.
- Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.

It is not anticipated that the above amendments will have a material impact on the information provided in the Authority's financial statements.

Note 3 - Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are as follows:

- There is a high degree of uncertainty about future levels of funding for local government. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the authority might be impaired as a result of a need to reduce levels of service provision.
- As required under the Authority's accounting policy for "Property, Plant and Equipment", assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. A five-year revaluation of all property assets was undertaken as at 1 April 2020. Since this date there has been a significant uplift in Building Cost Information Service (BCIS) construction data, therefore, as at 31 March 2023, and for the previous financial year, a desktop revaluation exercise of operational properties measured on depreciated

replacement costs (DRC) was completed by Carmarthenshire County Council Valuers. It was agreed that the Valuer would not undertake any site inspections in regard of this exercise.

Note 4 - Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Authority's Balance Sheet at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

- Property, Plant and Equipment – Non-current Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets. If the useful life of the asset is reduced depreciation increases and the carrying amount of the asset falls.
- Pensions liability - Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and, for the Local Government pension scheme, the expected returns on pension fund assets. Consulting Actuaries are engaged to provide the Authority with expert advice about the assumptions to be applied. Please refer to Note 30 for Pension liability sensitivity analysis.

Note 5 - Events After the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Chief Financial Officer as per date noted on page 13. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2023, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

There have been no material events after the balance sheet date.

Note 6 - Note to the Expenditure and Funding Analysis

	2022/23			
	Net Capital Statutory Adjustments £000	Net Pensions Statutory Adjustments £000	Other Differences £000	Total Adjustments £000
Provision of Fire Services	4,992	1,523	32	6,547
Net Cost of Services	4,992	1,523	32	6,547
Other Income and Expenditure	(5,670)	14,314	0	8,644
Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement	(678)	15,837	32	15,191

	2021/22			
	Net Capital Statutory Adjustments £000	Net Pensions Statutory Adjustments £000	Other Differences £000	Total Adjustments £000
Provision of Fire Services	4,243	5,241	(60)	9,424
Net Cost of Services	4,243	5,241	(60)	9,424
Other Income and Expenditure	(6,044)	11,153	0	5,109
Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement	(1,801)	16,394	(60)	14,533

Net Capital Statutory Adjustments – this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Financing and investment income and expenditure – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year, to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Pensions Statutory Adjustments - Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

- For Services this represents the removal of the employer pension contributions made by the Authority as allowed by statute and the replacement with current service costs and past service costs.
- For Financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the CIES.

Other Differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- For Financing and investment income and expenditure the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- The charge under Taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

Note 7 - Expenditure and Income Analysed by Nature

2021/22 £000		2022/23 £000
	Expenditure	
48,083	Employee Costs	49,645
11,730	Other Operating Costs	12,850
8,268	Support Services	9,323
4,243	Depreciation, Amortisation, Impairment & Revaluation	4,992
716	Interest Paid	789
(40)	Gain on the disposal of assets	(97)
73,000	Total Expenditure	77,502
	Income	
(1,481)	Fees, Charges, & Other Service Income	(1,392)
(6)	Interest & Investment Income	(110)
(51,779)	Levies from Unitary Authorities	(53,824)
(4,791)	Government Grants, Contributions & Donations	(4,917)
(58,057)	Total Income	(60,243)
14,943	(Surplus) or Deficit on Provision of Services	17,259

Revenue from Contracts with Service Recipients

The Authority has undertaken a review of its income streams that meet the requirements for IFRS 15 Revenue Contracts. Due to the value as at 31 March 2023 it was deemed immaterial to include in the accounts and Note 7 provides sufficient information.

Note 8 - Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure. The following sets out a description of the reserves that the adjustments are made against.

- General Fund Balance - the General Fund is the statutory fund into which all the receipts of an Authority are required to be paid and out of which all liabilities of the Authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Authority is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Authority is required to recover) at the end of the financial year.
- Capital Receipts Reserve – holds the proceeds from the disposal of land and other non-current assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the the year end.

2021/22				Adjustments between Accounting Basis and Funding Basis under Regulations	2022/23			
General Fund & Earmarked Reserves £000s	Capital Receipts £000s	Usable Reserves £000s	Unusable Reserves £000s		General Fund & Earmarked Reserves £000s	Capital Receipts £000s	Usable Reserves £000s	Unusable Reserves £000s
(3,994)	0	(3,994)	3,994	Depreciation	(4,222)	0	(4,222)	4,222
(277)	0	(277)	277	Impairment & Non-enhancing	(947)	0	(947)	947
105	0	105	(105)	Revaluation Gains / Losses on Property	251	0	251	(251)
(78)	0	(78)	78	Intangible Amortisation	(74)	0	(74)	74
40	(120)	(80)	80	Disposal of non-current assets	97	(140)	(43)	43
3,047	0	3,047	(3,047)	Capital Expenditure Funded Earmarked Reserves CERA	2,271	0	2,271	(2,271)
548	0	548	(548)	Capital Expenditure Funded Grants	744	0	744	(744)
0	120	120	(120)	Capital Expenditure Funded Receipts		140	140	(140)
2,410	0	2,410	(2,410)	Financing Capital MRP	2,558	0	2,558	(2,558)
1,801	0	1,801	(1,801)		678	0	678	(678)
(34,622)	0	(34,622)	34,622	Reversal of retirements benefits in CIES	(33,295)	0	(33,295)	33,295
18,228	0	18,228	(18,228)	Employer's Pension Contributions & payments to pensioners	17,458	0	17,458	(17,458)
(16,394)	0	(16,394)	16,394		(15,837)	0	(15,837)	15,837
60	0	60	(60)	Movement in Accumulated Absence accrual	(32)	0	(32)	32
(14,533)	0	(14,533)	14,533	Adjustments between accounting basis & funding basis under regulation	(15,191)	0	(15,191)	15,191

Note 9 – Usable Reserves

	Balance at 1 April 2021	Transfers In 2021/22	Transfers Out 2021/22	Appropri- ation to Capital	Balance at 31 March 2022	Transfers In 2022/23	Transfers Out 2022/23	Inter Reserve Transfers	Appropri- ation to Capital	Balance at 31 March 2023
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
General Fund Balance	(1,333)	(3)	0	0	(1,336)	(0)	0	(544)	0	(1,880)
Earmarked Reserves:										
Invest to Save Fund	(277)	0	0	0	(277)	0	0	277	0	0
Capital Fund	(1,640)	(2,338)	0	2,885	(1,093)	(1,124)	0	300	1,550	(367)
Major Incidents	(400)	0	0	0	(400)	0	0	0	0	(400)
Fundraising & Miscellaneous Ring-Fenced	(280)	(157)	61	0	(376)	(9)	127	(300)	0	(558)
Levy Equalisation Reserve	(1,000)	0	0	0	(1,000)	(245)	484	167	0	(594)
Software & Communication	(934)	(110)	0	26	(1,018)	0	0	0	0	(1,018)
Risk Management	(500)	(90)	0	0	(590)	0	245	0	0	(345)
Managing Change - Employees & Pensions	(1,200)	0	0	0	(1,200)	0	0	200	0	(1,000)
Employee Safety	(1,535)	0	0	136	(1,399)	0	194	0	721	(484)
Service Reconfiguration	(200)	0	0	0	(200)	0	125	(100)	0	(175)
Earmarked Reserves	(7,966)	(2,695)	61	3,047	(7,553)	(1,378)	1,175	544	2,271	(4,941)
Capital Receipts	0	(120)	0	120	0	(140)	0	0	140	0
Total Usable Reserves	(9,299)	(2,818)	61	3,167	(8,889)	(1,518)	1,175	0	2,411	(6,821)

An overview of the purpose of the Usable Reserves held by the Authority is detailed in the following table:

Name	Purpose
General Fund Balance	Non-Earmarked Reserve maintained to cushion the impact of emergencies, to offset the impact of unforeseen events.
Levy Equalisation	To be used to "smooth" the changes in the levy charged each year to the constituent Unitary Authorities.
Invest to Save	Maintained to provide resources to allow the Authority to invest in the transformation of its services and to realise future cost reductions/efficiencies.
Capital Fund	Maintained to provide additional resources for the capital programme, providing flexibility to the financing of capital investment.
Major Incidents	Funding set aside for one-off incidents outside routine service delivery activity. Replenished through base budget in future years to maintain the level required to manage major incidents.
Fundraising & Miscellaneous Ring-fenced	Surpluses generated by various schemes e.g. car salary sacrifice scheme and money raising events to be used for specific purposes.
Software & Communication	Maintained to provide resources to fund one-off ICT infrastructure investment, and future emergency services network.
Risk Management	Maintained to meet the Authority's exposure to claims under its insurance arrangements; to provide flexibility to meet the volatility of the insurance market and to provide resources to take any measures to improve the Authority's risk exposure position.
Employees & Pension	Maintained to meet one off costs associated with employees: e.g. pensions ombudsman, employment tribunals, redundancy.
Employee Safety	Maintained to meet demands for ensuring and improving Firefighter safety including both equipment and training requirements.
Service Reconfiguration	Maintained to support the Authority in addressing future pressures arising from regulatory and legislative requirements and invest in service transformation.
Capital Receipts	Holds the receipts from the sale of assets and are available to finance capital expenditure in future years.

Note 10 - Financing and Investment Income and Expenditure

2021/22		2022/23
£000		£000
715	Interest payable and similar charges	789
11,153	Net interest on the net defined benefit liability (asset)	14,314
(4)	Movement in Bad Debt Provision	(3)
1	Bad Debts Written Off	1
(6)	Interest receivable and similar income	(110)
11,859	Total	14,991

Note 11 - Taxation and Non-Specific Grant Income

2021/22		2022/23
£000		£000
(51,779)	Levies from constituent authorities	(53,824)
(548)	Capital grants and contributions	(744)
(52,327)	Total	(54,568)

Note 12 - Property, Plant and Equipment

Movements to 31 March 2023	Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
Cost or Valuation: Gross Book Value as at 31 March 2022	61,843	37,572	344	882	100,641
Additions	1,051	4,672	0	2,849	8,572
Non-Enhancing Expenditure	(947)	0	0	0	(947)
Accumulated Depreciation & Impairment written off to Gross Book Value	(1,841)	0	0	0	(1,841)
Revaluation increases / (decreases) recognised in the revaluation reserve	5,022	0	0	0	5,022
Revaluation increases / (decreases) recognised in the surplus / deficit on provision of services	251	0	0	0	251
Derecognition – disposals	(17)	(856)	0	0	(873)
Reclassifications and transfer	16	866	0	(882)	0
Cost or Valuation: Gross Book Value as at 31 March 2023	65,378	42,254	344	2,849	110,825
Accumulated Depreciation and Impairment as at 31 March 2022	(171)	(16,893)	(132)	0	(17,196)
Depreciation written out to the Surplus / Deficit on the Provision of Services	(1,902)	(2,311)	(9)	0	(4,222)
Accumulated Depreciation & Impairment written off to Gross Book Value	1,841	0	0	0	1,841
Impairment losses / (reversals) recognised in the Revaluation Reserve	0	0	0	0	0
Impairment losses / (reversals) recognised in the surplus / deficit on the provision of services	0	0	0	0	0
Derecognition – disposals	17	841	0	0	858
Accumulated Depreciation and Impairment as at 31 March 2023	(215)	(18,363)	(141)	0	(18,719)
Net Book Value at 31 March 2022	61,672	20,679	212	882	83,445
Net Book Value at 31 March 2023	65,163	23,891	203	2,849	92,106

Movements to 31 March 2022	Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
Cost or Valuation: Gross Book Value as at 31 March 2021	57,530	33,330	344	3,121	94,325
Additions	1,231	4,309	0	1,543	7,083
Non-Enhancing Expenditure	(261)	0	0	0	(261)
Accumulated Depreciation & Impairment written off to Gross Book Value	(3,594)	0	0	0	(3,594)
Revaluation increases / (decreases) recognised in the revaluation reserve	5,101	0	0	0	5,101
Revaluation increases / (decreases) recognised in the surplus / deficit on provision of services	105	0	0	0	105
Derecognition – disposals	(7)	(2,111)	0	0	(2,118)
Reclassifications and transfer	1,738	2,044	0	(3,782)	0
Cost or Valuation: Gross Book Value as at 31 March 2022	61,843	37,572	344	882	100,641
Accumulated Depreciation and Impairment as at 31 March 2021	(1,971)	(16,682)	(124)	0	(18,777)
Depreciation written out to the Surplus/Deficit on the Provision of Services	(1,737)	(2,249)	(8)	0	(3,994)
Accumulated Depreciation & Impairment written off to Gross Book Value	3,594	0	0	0	3,594
Impairment losses / (reversals) recognised in the Revaluation reserve	(41)	0	0	0	(41)
Impairment losses / (reversals) recognised in the surplus / deficit on the provision of services	(16)	0	0	0	(16)
Derecognition – disposals	0	2,038	0	0	2,038
Accumulated Depreciation and Impairment as at 31 March 2022	(171)	(16,893)	(132)	0	(17,196)
Net Book Value at 31 March 2021	55,559	16,648	220	3,121	75,548
Net Book Value at 31 March 2022	61,672	20,679	212	882	83,445

Capital Commitments

At 31 March 2023, the Authority had the following major commitments:

- £1.080m for frontline appliances
- £1.830m for the Compartment Fire Behaviour Training (CFBT) unit at Earlswood

Revaluations & Impairments

In accordance with accounting policy assets included in the Balance Sheet at current value must be revalued sufficiently regularly to ensure their carrying amount is not materially different from their current value at the year-end, but as a minimum every 5 years. The last 5-year revaluation was carried out on 1 April 2020. An assessment of the implications of changes in BCIS data from quarter 1 2020 and quarter 1 2022 for 2021/22 determined that there was a material change in building cost information and a consequential impact on assets valued in the accounts on a Depreciated Replacement Cost (DRC) basis. In 2022/23 a similar assessment of BCIS data from quarter 1 2022 and quarter 1 2023, again determined that there was material change. Carrying values of DRC assets have been amended for changes in BCIS data with application of relevant obsolescence amendments since the last desktop valuation on 1 April 2022.

With regard to the existing use valuations (EUV), as of 1 April 2023 there was no market evidence available in the areas concerned to indicate a material change in value had occurred since the valuation date of 1 April 2020.

Llandysul and Llandrindod Wells fire stations have been altered internally impacting on their internal measurements. In revaluing these properties, the Valuer conducted a site inspection and has assumed that the properties concerned are in a reasonable state of repair and condition and have not been the subject of any damage. In addition, the Valuer also assumed that no harmful or hazardous materials have been used in the construction of the properties or since been incorporated, and that there is no contamination in or from the ground, and it is not land filled ground.

The revaluation and impairment review were carried out by a member of the Royal Institution of Chartered Surveyors employed by Carmarthenshire County Council.

Non-operational Property, Plant and Equipment (Surplus Assets)

The Authority does not have surplus assets.

Note 13 - Intangible Assets

The Authority accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of property, plant and equipment. The intangible assets include both purchased licenses and internally generated software.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Authority. The useful lives assigned to the major software suites used by the Authority is 10 years.

The movement on Intangible Asset balances during the year is as follows:

2021/22		2022/23
£000		£000
Gross Book Value		
822	Opening Balance at 1 April	875
53	Additions	54
0	Impairment	0
0	Derecognition	(56)
875	Closing Balance at 31 March	873
Accumulated Amortisation		
(372)	At 1 April	(450)
(78)	Amortisation	(74)
0	Impairment	0
0	Derecognition	28
(450)	Closing Balance at 31 March	(496)
Net Book Value		
450	Opening Balance at 1 April	425
425	Closing Balance 31 March	377

Note 14 - Financial Instruments

The following categories of Financial Instruments are carried in the Balance Sheet:

	Long-term 31 March 2022 £000	Long-term 31 March 2023 £000	Current 31 March 2022 £000	Current 31 March 2023 £000
--	---------------------------------------	---------------------------------------	-------------------------------------	-------------------------------------

Financial Assets at Amortised Cost:

Cash & Cash Equivalents	0	0	2,737	1,178
Debtors	31	30	4,190	4,128

Financial Liabilities at Amortised Cost:

Borrowing	(22,120)	(24,530)	(153)	(3,090)
Accrued Interest	0	0	(81)	(128)
Total Borrowing	(22,120)	(24,530)	(234)	(3,218)
Finance Lease liabilities	(2,095)	(1,796)	(423)	(299)
Creditors	0	0	(6,548)	(5,531)

	2021/22		2022/23	
Income, Expense, Gains and Losses	Financial Liabilities measured at amortised cost £000	Financial Assets measured at amortised cost £000	Financial Liabilities measured at amortised cost £000	Financial Assets measured at amortised cost £000
Interest expense	715	0	789	0
Total expense in Surplus or Deficit on the Provision of Services	715	0	789	0
Interest income	0	(6)	0	(110)
Total income in Surplus or Deficit on the Provision of Services	0	(6)	0	(110)
Net (gain)/loss for the year	715	(6)	789	(110)

Financial Instruments - Fair Value

Financial liabilities and financial assets represented by loans and receivables are carried on the Balance Sheet at amortised cost (in long-term assets/liabilities with accrued interest in current assets/liabilities). Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- For loans from the Public Works Loan Board (PWLB) and other loans payable, borrowing from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures;
- No early repayment or impairment is recognised;
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount;
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

	31 March 2022		31 March 2023	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Long Term Creditors – PWLB	22,273	24,212	27,620	25,494
Non-PWLB Debt	0	0	0	0
Total *	22,273	* 24,212	27,620	25,494

As at 31 March 2023 the fair value, at new loan rate, is lower than the carrying amount because early repayment of all PWLB debt would incur a net early repayment discount, which is linked to increases in current loan interest rates. Due to the differing loan periods and loan interest rates, there are loans in the portfolio with an early repayment discount and others with an early repayment premium. As at 31 March 2022 the fair value, at new loan rates, was greater than the carrying amount because early repayment of PWLB debt would have incurred a net early repayment premium.

*Fair value restated as at 31 March 2022 to reflect fair value at new loan rate, rather than premature repayment rate.

Loans are at level 2 in the Fair Value Hierarchy, that is they are valued at prices that are observable either directly or indirectly.

Note 15 – Debtors

31 March 2022 £000	Short Term Debtors	31 March 2023 £000
3,323	Central Government Bodies	3,256
169	Other Local Authorities	229
33	NHS Bodies	96
342	Other Entities and Individuals	199
339	Payments in Advance	361
(16)	Provision for Irrecoverable debts	(13)
4,190	Total Short-Term Debtors	4,128

31 March 2022 £000	Long Term Debtors	31 March 2023 £000
31	Other Entities and Individuals	30
31	Total Long-Term Debtors	30

Note 16 - Cash and Cash Equivalents

31 March 2022 £000		31 March 2023 £000
737	Cash and Bank balances	1,178
2,000	Short-term Deposits	0
2,737	Total Cash and Cash Equivalents	1,178

Note 17 – Creditors

31 March 2022 £000		31 March 2023 £000
(2,777)	Central Government Bodies	(1,843)
(604)	Other Local Authorities	(740)
(3,160)	Other Entities and Individuals	(2,936)
(7)	Receipts in Advance	(12)
(6,548)	Total Creditors	(5,531)

Note 18 - Unusable Reserves

31 March 2022		31 March 2023
£000		£000
(28,218)	Revaluation Reserve	(32,353)
(23,078)	Capital Adjustment Account	(24,643)
539,615	Pension Reserve	369,666
721	Accumulated Absences Account	753
489,040	Total	313,423

Note 18a - Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its property, plant and equipment and intangible assets.

The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2021/22		2022/23
£000		£000
(23,920)	Balance 1 April	(28,218)
(5,136)	Upward revaluation of assets	(5,022)
76	Downward revaluation of assets and impairment losses not charged to the Surplus or Deficit on the Provision of Services	0
(5,060)	Surplus or deficit on revaluation of non-current assets not charged to the Surplus or Deficit on the Provision of Services	(5,022)
762	Difference between fair value depreciation and historical cost depreciation	887
0	Accumulated gains on assets sold or scrapped	0
762	Amount written off to the Capital Adjustment Account	887
(28,218)	Balance 31 March	(32,353)

Note 18b - Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or additions to those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or subsequent costs as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert current and fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and subsequent costs.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Authority.

The Account also contains revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

2021/22		2022/23
£000		£000
(20,515)	Balance 1 April	(23,078)
4,271	Charges for depreciation and impairment of non-current assets	5,169
78	Amortisation & Impairment of intangible assets	74
(105)	Revaluation losses / (gains) on property, plant & equipment	(251)
80	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	43
4,324	Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	5,035
(762)	Adjusting Amounts written out of the Revaluation Reserve	(887)
3,562	Net written out amount of the cost of non-current assets consumed in the year	4,148
(120)	Use of Capital Receipts Reserve to finance new capital expenditure	(140)
(548)	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(744)
(2,410)	Statutory provision for the financing of capital investment charged against the General Fund	(2,558)
(3,047)	Capital Expenditure charged against the General Fund	(2,271)
(6,125)	Capital financing applied in year:	(5,713)
(23,078)	Balance 31 March	(24,643)

Note 18c - Pension Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2021/22 £000		2022/23 £000
555,374	Balance 1 April	539,615
(32,153)	Remeasurements of the net defined benefit (liability)/asset	(185,786)
34,622	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	33,295
(18,228)	Employer's pensions contributions and direct payments to pensioners payable in the year	(17,458)
539,615	Balance 31 March	369,666

Note 18d - Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2021/22 £000		2022/23 £000
781	Balance 1 April	721
(60)	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in year in accordance with statutory requirements	32
721	Balance 31 March	753

Note 19 - Cash Flow from Operating Activities

The cash flows for operating activities include the following items:

2021/22		2022/23
£000		£000
(4)	Interest received	(84)
700	Interest paid	742

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements

2021/22		2022/23
£000		£000
(3,994)	Depreciation	(4,222)
(277)	Impairment	(947)
105	Revaluation Gains & Losses	251
(78)	Amortisation	(74)
(111)	(Increase)/decrease in creditors	1,125
300	Increase/(decrease) in debtors	(62)
(139)	Increase/(decrease) in inventories	(18)
(16,394)	Movement in pension liability	(15,837)
(80)	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	(43)
(20,668)	Total	(19,827)

The surplus or deficit on the provision of services has been adjusted for the following items which are investing and financing activities:

2021/22		2022/23
£000		£000
548	Capital Grant / Contributions / Donations Applied	744
120	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	140
668	Total	884

Note 20 - Cash Flow from Investing Activities

2021/22		2022/23
£000		£000
7,136	Purchase of property, plant and equipment, investment property and intangible assets	8,626
(120)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(140)
(5)	Other receipts for investing activities	(1)
7,011	Net cash flows from investing activities	8,485

Note 21 - Cash Flow from Financing Activities

2021/22		2022/23
£000		£000
(4,000)	Cash receipts of short-term and long-term borrowing	(5,500)
(601)	Other receipts from financing activities	(271)
408	Cash payments for the reduction of outstanding liabilities relating to finance leases	423
180	Repayments of short-term and long-term borrowing	106
(4,013)	Net cash flows from financing activities	(5,242)

Note 22 - Members' Allowances

The Authority paid the following amounts to elected members during the year:

2021/22		2022/23
£000		£000
66	Salaries	67
1	Expenses	2
67	Total Members' Allowances	69

Note 23 - Officers' Remuneration

The remuneration paid to the Authority's senior employees is as follows:

	Note Ref	Year	Salary, Fees and Allowances £	Other Payments £	Expenses Allowances £	Benefit in Kind £	Employers' Pension Contribution £	Total £
Chief Fire Officer 1	3	2022/23	2,240	0	0	0	0	2,240
		2021/22	158,332	0	30	0	0	158,362
Chief Fire Officer 2	4	2022/23	159,025	0	421	0	43,414	202,860
		2021/22	0	0	0	0	0	0
Deputy Chief Fire Officer 1	4, 5	2022/23	1,839	0	4	0	502	2,345
		2021/22	129,820	0	235	0	38,037	168,092
Deputy Chief Fire Officer 2	5, 6	2022/23	130,569	0	249	0	35,645	166,463
		2021/22	0	0	0	0	0	0
Assistant Chief Fire Officer 1	5, 6	2022/23	1,572	0	4	0	429	2,005
		2021/22	110,478	0	63	0	30,160	140,701
Assistant Chief Fire Officer 2	6	2022/23	111,612	0	249	0	30,470	142,331
		2021/22	0	0	0	0	0	0
Assistant Chief Officer (Director of Resources) 1	1, 7	2022/23	0	0	0	0	0	0
		2021/22	96,558	0	921	5,932	12,512	115,923
Assistant Chief Officer (Director of Resources) 2	2, 7	2022/23	111,759	0	768	1,098	16,987	130,612
		2021/22	27,304	0	63	40	4,153	31,560
Clerk / Monitoring Officer		2022/23	39,456	0	555	0	5,997	46,008
		2021/22	38,676	0	470	0	5,879	45,025
Interim Treasurer / Section 151 Officer	8	2022/23	38,930	0	324	0	5,917	45,171
		2021/22	0	0	0	0	0	0

Notes

1. Unlike the other Senior Officers, the Assistant Chief Officer 1 (Director of Resources) was required to purchase car fuel for business mileage and then claim back expenses. Also, tax on benefit in kind is calculated on a company car basis which is different to other Senior Officers and resulted in much higher expenses and benefit in kind figures.
2. Unlike the other Senior Officers, the Assistant Chief Officer 2 (Director of Resources) is required to purchase electric for business mileage and then claim back expenses. Also, tax on benefit in kind is calculated on a company car basis which is different to other Senior Officers and results in higher expenses and benefit in kind figures.
3. The Chief Fire Officer 1 retired from the Service on 5 April 2022. His salary upon resignation was £157,749.
4. The Chief Fire Officer 2 was appointed on 6 April 2022 on a salary of £157,749, following the retirement of the previous Chief Fire Officer 1.
5. The Deputy Chief Fire Officer 2 was appointed on 6 April 2022 on a salary of £129,342, following the promotion of the previous Deputy Chief Fire Officer 1 to Chief Fire Officer 2.
6. The Assistant Chief Fire Officer 2 was appointed on 6 April 2022 on a salary of £110,071, following the promotion of the previous Assistant Chief Fire Officer 1 to Deputy Chief Fire Officer 2.
7. The Assistant Chief Officer 2 (Director of Resources) was appointed temporarily in role on 1 January 2022 following the retirement of the previous Assistant Chief Officer 1 (Director of Resources). This temporary role was made substantive on 19 October 2022 on a salary of £109,216.
8. During 2022/23 the Authority changed its arrangements for the provision of Section 151 (S151) Officer services which had been provided under a Service Level Agreement with Carmarthenshire County Council since 2018. On 1 August 2022 the Authority appointed an Interim Treasurer (S151 Officer), on a salary of £95,401 (£57,240 pro rata). The SLA costs for 2022/23 were £16,175 (for 2021/22 they were £37,599).

During 2023/24 the Authority will evaluate the interim arrangements before determining how the S151 Officer responsibilities will be discharged from 1 August 2023.

Officers Remuneration

The Authority's other employees receiving more than £60,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

	Number of Employees	
	2021/22	2022/23
£60,001 to £65,000	13	13
£65,001 to £70,000	6	13
£70,001 to £75,000	1	4
£75,001 to £80,000	1	1
£80,001 to £85,000	3	3
£85,001 to £90,000	0	1
Total	24	35

In 2022/23 the ratio of the Chief Fire Officer to the median remuneration of all employees' full time equivalent salary of £34,501 is 4.67:1 (in 2021/22 the median full time equivalent salary was £32,244 *and the ratio was 4.89:1 *). * Amended

Exit Packages

The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in table below:

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band (£)	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
£0 - £20,000	0	0	0	0	0	0	0	0
£20,001 - £40,000	0	0	0	0	0	0	0	0
£40,001 - £60,000	1	0	0	0	1	0	53,723	0
Total included in CIES	1	0	0	0	1	0	53,723	0

Note 24 - External Audit Costs

The following fees are payable in relation to the audit of the Statement of Accounts, statutory inspections and other non-audit services provided by the Authority's external auditors:

Actual Fee 2021/22 £000		Proposed Fee 2022/23 £000
	Fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year for:	
51	Financial Audit Work	59
15	Performance Audit Work	17
66	Total	76

Note 25 - Grant Income

Grant Income Credited to Taxation and non-specific Grant Income and Expenditure

2021/22 £000		2022/23 £000
(467)	Capital Grants, Contributions and Donations	(709)
(467)	Total	(709)

Credited to Services

2021/22 £000		2022/23 £000
	Welsh Government:	
(110)	Arson Reduction	(112)
(317)	Home Safety Equipment	(324)
(108)	Other Community Safety	(123)
(595)	New Dimensions, USAR and MTFA	(505)
(592)	Airwave (Firelink)	(592)
(248)	Joint Emergency Services Group	(259)
(40)	GovTech	(29)
(1,832)	SCAPE Pension Funding	(1,844)
(147)	Covid-19 Hardship Fund	(78)
(254)	Other *	(306)
(4,243)	Total	(4,172)

* Other Grants (external funding) comprise funding for small, non-recurring projects.

In 2022/23 Mid and West Wales Fire and Rescue Authority co-ordinated the Home Safety grant of £900k and Arson Reduction grant of £359k on behalf of Welsh Government who therefore allocated £1.258m (£1.241m in 2021/22) to the three Fire Services in Wales.

The Authority acts as an agent on behalf of Welsh Government in administering these two grant schemes for all of the Fire Services in Wales. The approved grants are paid to Mid and West Wales Fire and Rescue Service, who are then responsible for distributing the grants to the other two Welsh Fire Services. The grant values paid out to the other two Welsh Fire Services for the two schemes are as follows:

Grants Administered on behalf of other Fire and Rescue Services

2021/22		2022/23
£000		£000
	Welsh Government:	
(265)	Arson Reduction	(247)
(549)	Home Safety Equipment	(575)
(814)	Total	(822)

The Authority has received the following capital grants that have yet to be recognised as income as they have conditions attached to them that will require the monies to be returned to the funding body if the conditions are not satisfied. The balances at the year-end are as follows:

Current Liabilities - Capital Grants Receipts in Advance

2021/22		2022/23
£000		£000
(275)	Storm Callum (Welsh Government)	0
(198)	Electric Vehicle Charging Infrastructure (Welsh Government)	0
(473)	Total	0

The Authority has received the following revenue grants that have yet to be recognised as income as they have conditions attached to them that will require the monies to be returned to the funding body if the conditions are not satisfied. The balances at the year-end are as follows:

Current Liabilities – Revenue Grants Receipts in Advance

2021/22		2022/23
£000		£000
(48)	GovTech (Welsh Government)	(19)
(2)	National Resilience (Welsh Government)	0
(193)	Covid-19 Hardship Fund (Welsh Government)	(116)
(243)	Total	(135)

Note 26 - Related Parties

The Authority is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Welsh Government (WG)

Welsh Government has significant influence over the general operations of the Authority - it is responsible for providing the statutory framework within which the Authority operates and provides some funding in the form of grants. The grants received from government departments are set out in note 25.

Members

Members of the Fire and Rescue Authority have direct control over the Authority's financial and operating policies. The total of members' allowances paid in 2022/23 is shown in note 22.

The Authority has arrangements in place requesting Members and Officers to identify and disclose related party transactions.

Officers

No Officer declared a pecuniary interest in accordance with section 117 of the Local Government Act 1972.

Other Public Bodies

The Authority receives the majority of its revenue funding by charging a levy, based on population, to the six Unitary County Authorities in its area. Details of the amounts received by way of levy are shown within the narrative of the Statement of Accounts.

The Authority had a Service Level Agreement (SLA) with Carmarthenshire County Council for Financial Services, including Section 151 Officer services for part of the year. The Section 151 Officer responsibility provided by the Director of Resources for Carmarthenshire County Council ended during the financial year.

The Authority is the Administering Authority for the Firefighters' Pension Fund. Details of the Firefighters' Pension Fund are shown in note 30 and the Firefighters' Pension Fund Accounts which are on pages 65 to 75 and 80 to 82.

The following tables details transactions and balances with Related Parties as at 31 March 2023:



Related Party	In Year Transactions		Balance 31 March 2023	
	Income £000	Expenditure £000	Owed to Authority (Debtor) £000	Owed by Authority (Creditor) £000
Welsh Government	(10,948)	0	1,288	0
Carmarthenshire County Council	(11,268)	492	116	(236)
Ceredigion County Council	(4,201)	63	0	0
Neath Port Talbot County Borough Council	(8,544)	143	0	0
Pembrokeshire County Council	(7,556)	119	0	0
Powys County Council	(7,817)	215	5	0
City and County of Swansea Council	(14,692)	124	0	(5)
Total	(65,026)	1,156	1,409	(241)

Joint Operations

In April 2014 Mid and West Wales Fire and Rescue Service (MAWWFRS) entered into a Memorandum of Understanding with South Wales Police and South Wales Fire and Rescue Service (SWFRS) to work together to establish a Joint Public Service Centre (JPSC). In October 2017 the JPSC went "live". MAWWFRS and SWFRS have shared responsibility of the operational delivery and the agreed approach from both FRSs is set out in a Service Level Agreement (SLA). The SLA outlines a set of agreed high-level principles in relation to the day-to-day management of the team. It is the expectation of both Chief Fire Officers of the FRSs that the FRSs will work in collaboration to achieve the aims and objectives set out within the SLA.

The SLA provided that as from the point of the team becoming operational (October 2017) the staff budget (direct and indirect costs) for the JPSC would be shared on a 50% basis between the two FRSs. For 2018/19 onwards the SLA was renegotiated resulting in a revised basis – direct staff costs 40% MAWWFRS and 60% SWFRS, and 50% each for indirect staff costs.

In accordance with accounting policy 12, the main financial statements of the Authority have been consolidated with the relevant entries. The Authority's share of the Joint Arrangement Income and Expenditure Account and Balance Sheet are shown in the table below:

Joint Public Service Centre	2021/22		2022/23	
	Joint Operation Total £000	MAWWFRS Share £000	Joint Operation Total £000	MAWWFRS Share £000
Revenue				
Staff Expenditure	2,532	1,013	2,690	1,076
Non-Staff Expenditure	109	55	128	64
Total Expenditure	2,641	1,068	2,818	1,140
Intangible Asset				
Command & Control System:				
Gross Book Value	680	340	680	340
Accumulated Amortisation	(322)	(161)	(392)	(196)
Net Book Value	358	179	288	144



Note 27 - Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

2021/22 £000		2022/23 £000
31,558	Opening Capital Financing Requirement	32,569
	<i>Capital Investment:</i>	
7,083	Property Plant and Equipment	8,572
53	Intangible Assets	54
7,136	Total Capital Spending	8,626
	<i>Sources of Finance:</i>	
(120)	Capital receipts	(140)
(548)	Government Grants and other contributions / donations	(744)
	<i>Sums set aside from revenue:</i>	
(3,047)	Direct Revenue Contributions	(2,271)
	<i>Minimum revenue provision:</i>	
(202)	Option 1 – expenditure pre 31 March 2009	(194)
(1,801)	Option 3 – expenditure post 1 April 2009	(1,941)
(407)	Finance Leases	(423)
(6,125)	Total Sources of Finance	(5,713)
32,569	Closing Capital Financing Requirement	35,482

Explanation of movements in year

2021/22 £000		2022/23 £000
1,011	Increase in underlying need to borrow (unsupported by government financial assistance)	2,913
1,011	Increase / (decrease) in Capital Financing Requirement	2,913

Note 28 – Leases

Authority as a Lessor – Finance Leases

Finance lease debtors are not material as consideration payments were made at inception of the leases and applied to writing down the lease liability, no liability is outstanding.

Authority as a Lessee – Finance Leases

The Authority has acquired a number of vehicles under finance leases.

The assets acquired under these leases are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts:

31 March 2022 £000		31 March 2023 £000
0	Other Land and Buildings	0
2,155	Vehicles, Plant, Furniture, Equipment and Other	1,766
2,155	Total	1,766

The Authority is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the vehicle acquired by the Authority and finance costs that will be payable by the Authority in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts

31 March 2022 £000	Finance lease liabilities (net present value of minimum lease payments):	31 March 2023 £000
423	- Current	299
2,095	- Non-current	1,796
278	Finance costs payable in future years	202
2,796	Minimum lease payments	2,297

The minimum lease payments will be payable over the following periods:

Minimum Lease Payments			Finance Lease Liabilities	
31 March 2022 £000	31 March 2023 £000		31 March 2022 £000	31 March 2023 £000
499	363	Not later than one year	423	299
1,452	1,452	Later than one year and not later than five years	1,269	1,317
845	482	Later than five years	826	479
2,796	2,297	Total	2,518	2,095

Authority as Lessee - Operating Leases

The Authority has acquired a number of light vehicles by entering into operating leases, with typical lives of 5 to 7 years.

The future minimum lease payments due under non-cancellable operating leases in future years are:

31 March 2022 £000		31 March 2023 £000
88	Not later than one year	88
151	Later than one year and not later than five years	64
0	Later than five years	0
239	Total	152

Note 29 - Termination Benefits

The Authority terminated no contracts that resulted in a liability in 2022/23 (£54k in 2021/22), see note 23 for details of exit packages and total cost per band.

Note 30 - Defined Benefit Pension Scheme

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments (for those benefits) and to disclose them at the time that the employees earn their future entitlement.

The Local Government Pension Scheme (LGPS) is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of Dyfed Pension Fund, Carmarthenshire County Council. Policy is determined in accordance with the Pensions Fund Regulations. The investment managers of the fund are appointed by the pensions committee of Carmarthenshire County Council. The principal risks to the authority of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and the amounts required by statute as described in the accounting policies note. We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions.

However, the charge we are required to make against levy is based on the cash payable in the year, so the real cost of post-employment / retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities.

The Firefighters Pension Scheme (FPS) is an unfunded defined benefit scheme meaning that no investments are held to fund the liabilities. Contributions, at a rate set by the Welsh Government, made by the employer and employees are held in a pension fund account, benefits paid are charged to the account with any balance on the account being received from, or paid to, the Welsh Government.

Guaranteed Minimum Pension (GMP) equalisation and indexation - The Government has published a consultation (7 October 2020) on indexation and equalisation of Guaranteed Minimum Pension (GMP), with the proposal being to extend the 'interim solution' to those members who reach State Pension Age after 5 April 2021. A past service cost was included in the 2019/20 disclosures for extending the equalisation to all future retirees.

There was also a further court ruling on 20 November 2020 regarding GMP equalisation. The court ruled that scheme trustees are required to revisit past Cash Equivalent Transfer Values (CETV's) to ensure GMP equalisation. This may result in additional top-ups where GMP equalisation means that members did not receive their full entitlement. For public service pension schemes, GAD expect that this ruling will be taken forward on a cross scheme basis and will need legal input. This may require revisiting past CETV cases for members with State Pension age after 5 April 2016 and who took a CETV from the scheme before CETV was equalised. The scope of any costs are yet to be determined and GAD does not have data on historic CETV's to estimate the potential impact, but they expect it will be a relatively small uplift for a relatively small subset of members (i.e. those who took a CETV and are in scope for a top up).

Survivor benefit legal challenges (Goodwin) – In 2020 a legal challenge was brought against the Teachers' Pension Scheme regarding the provision of survivor benefits to a male spouse of a female member. In that scheme, dependant benefits for a male spouse of a female member are based on service from 1988 and do not include service before 1988.

Welsh Government have advised GAD that due to the historic equal benefit structure in the 1992 Firefighters Pension Scheme they do not believe there is a similar situation in the Fire Pension Scheme in Wales and therefore there is no requirement to allow for this legal challenge in our 2022/23 accounting disclosures.

Covid-19 implications – The current population mortality projections make a short-term allowance for the impact of the Covid-19 pandemic. When deriving the ONS 2020-based mortality improvement projections, a panel of mortality experts gave their views on the impact of the Covid-19 pandemic on mortality rates in the short term. Based on this, short term adjustments were made in the 2019 to 2024 period to allow for estimated deaths in 2021 and an averaging of the experts' views on estimated improvements by age group over this period. Long term rates of future mortality improvements are not projected to change as a result of Covid-19. A death rate from Covid-19 in excess of that already allowed for in the mortality assumptions would emerge as an experience gain in future accounting periods. GAD expect that the projection of the long-term impact of the Covid-19 pandemic on life expectancy will continue to evolve as experience and evidence emerges into the future.

McCloud / Sargeant and 2016 valuation cost control - Claims of age discrimination were brought in relation to the terms of transitional protection by groups of firefighters and members of the Judiciary in the McCloud/Sargeant legal case (referred herein as “McCloud”) and the Court of Appeal handed down its judgment on this claim on 20 December 2018, ruling that the transitional protection arrangements were discriminatory on the basis of age. As a result, the cost control element of the 2016 valuation was paused whilst the Government addressed the need to remedy this discrimination across all public service pension schemes. The cost cap mechanism for the 2016 valuation has since been un-paused and the calculations complete, with the outcome being no changes to benefits or contributions.

The treatment of the deferred choice underpin as a member cost for cost cap purposes, along with the 4 year spreading period, was challenged in a Judicial Review which was heard in early 2023. The claims made in the Judicial Review were dismissed by the High Court, in a judgement handed down on Friday 10 March 2023. No allowance has therefore been made in the GAD accounting disclosures as at 31 March 2023.

McCloud Remedy

The McCloud remedy (claims around age discrimination) window ran from 1 April 2015 to 31 March 2022. Eligible members will be able to elect which scheme they wish to receive benefits from for this period. Due to the differing benefits structures GAD expect the majority of eligible fire employees to elect to take legacy scheme (1992 Scheme or 2007 Scheme) benefits for the remedy period.

An allowance for McCloud was first included in the 2018/19 disclosures as a past service cost for four years remedy service from 2015-2019. This past service cost was attributed proportionally to the 1992 and 2007 schemes. For subsequent years to 2021/22 an allowance was made in the 2015 service costs for the annual accrual of additional remedy service.

Now that the remedy window is closed GAD have moved all McCloud related liabilities for eligible members for the period 2019-2022 to the associated legacy schemes. This means all McCloud liability are held within the legacy scheme GAD expects benefits to be paid from. This has led to a past service cost of £9m added to the 1992 Scheme and a past service cost of £1m in the 2007 Scheme. As these liabilities are no longer held within the 2015 Scheme, GAD have reported a past service gain of £10m in the 2015 Scheme.

Special retained members (Matthews)

In November 2018 a ruling on the legal case involving part time judges (O’Brien v MoJ) has a direct impact on the equivalent case for retained firefighters (Matthews). Welsh Government Ministers agreed to extend the pension entitlement to eligible retained firefighters to cover service pre-July 2000. The Memorandum of Understanding signed in March 2022 sets out the intended scope and operation of the options exercise required to enact remedy in this case. GAD expect the options exercise to open sometime during or shortly after 2023/24.

This options exercise will increase the pension entitlement for some current special retained members and also allow access to the scheme for additional historic retained firefighters. GAD include below an estimate, on the 2023 accounting assumptions for the potential additional liability which could arise following this options exercise.

However, administrators are still in the process of planning for the Matthews remedy and are unable to provide data on the eligible members, the benefits that they are entitled to buy and how much they will need to contribute to pay for those benefits. Consequentially there is very significant data uncertainty in the calculation of this liability and significant assumptions have had to be made. The most significant assumptions are outlined below:

Numbers eligible – There is uncertainty as to the number of firefighters who were retained firefighters within the eligibility window. Where possible GAD have used information provided for each authority as well as the 2020 valuation membership data for the modified scheme. This has given an overall best estimate of the eligible population of 1,700 nationally.

Eligible service period – Eligible firefighters are able to purchase benefits for service from the start of their eligible employment. Accurate information on service is not yet available for all eligible members. Allowance also needs to be made for any service already purchased during the first options exercise. Based on available retained firefighter member data, GAD have assumed that employment started at age 30 on average.

Actual to reference pay ratio – The level of benefits accrued during eligible service depends on a firefighters' actual pay during this period, relative to the full-time reference pay for their role. This is not known in great detail for all eligible members, in particular records may no longer exist for periods before 2000. Home Office has proposed that actual pay is assumed to be 25% of reference pay is used in such instances. GAD have used this ratio as a best estimate of the ratio of actual to reference pay for calculating the potential liability.

Take up – Not all firefighters who are eligible will take up the option. The eligibility rules for the second exercise are different from the first and it also covers a significantly wider service period. The passage of time also means that the age of members eligible will be older than under the first exercise. This means the profile of eligible firefighters will be different to that of the first exercise. Therefore, the take up rate may be very different between the first and second option exercises and is very difficult to estimate in advance.

GAD have estimated take-up by estimating the proportion of the eligible population covered by different distinct groups, and consider possible take up for each:

- Members who purchased benefits under the first exercise. These individuals are on average older than other groups, and previously chose to purchase benefits, so GAD have assumed that they will also purchase benefits under the second exercise.
- Other firefighters who are over modified scheme benefit age. GAD have assumed that the proportion of other members purchasing benefits will reflect that for members who were eligible for the first exercise, were over modified scheme benefit age, and who are also eligible for the second exercise.
- Other firefighters who are under modified scheme benefit age. Again, assuming rates in line with those for the comparable first exercise group.

In combination, this results in an assumed uptake rate of 50%. While there are a wide range of possible outcomes for take up, GAD view that this approach utilises the limited information currently available to derive an appropriate best estimate.



Based on the data available and the assumptions that GAD are required to make at this time, they estimate the potential increase in liability from the second Matthew's exercise to be £14m.

As outlined above there is very significant uncertainty in this additional liability estimate and it is very likely that actual experience for the authority will be different to the assumptions that GAD have made. The estimated liability set out below may be very different from the actual impact of the options exercise once it has concluded.

Considering the areas of data uncertainty outlined above, GAD set out sensitivity of their estimate to alternative assumptions:

Numbers eligible: If the eventual eligible population is 10% higher (or lower), then the liabilities could increase (or reduce) by around 10%.

Eligible service period: If eligible members in fact commenced employment 5 years earlier (or later), the liabilities may be understated (or overstated) by around 25%.

Actual to reference pay ratio: A 10% change in this assumption would alter the liabilities by around 10%.

Take up: If take-up is 10% higher (or lower) then the cashflow liabilities may be understated (or overstated) by around 10%.

Combined with the unique assumptions required for the option exercise, the additional liability estimate above has been calculated using demographic and financial assumptions consistent with the disclosures found in Appendix B of the GAD report. Details of all of these assumptions can be found in the GAD 2022/23 Pension Disclosures.



2021/22		General Fund Transactions		2022/23	
LGPS	Firefighter Pension Scheme	Comprehensive Income and Expenditure Statement - Cost of Services		LGPS	Firefighter Pension Scheme
£000	£000			£000	£000
		Service cost comprising:			
2,865	19,170	Current service cost		3,132	15,150
0	0	Past service cost		0	0
0	1,360	Transfers In		0	670
47	0	(Gain) / loss from curtailments		0	0
0	0	(Gain) / loss from settlements		0	0
27	0	Administration expenses		29	0
		Financing and Investment Income and Expenditure:			
503	10,650	Net interest expense		594	13,720
3,442	31,180	Total charged to (Surplus) and Deficit on Provision of Services		3,755	29,540
Other post-employment benefits charged to the Comprehensive Income and Expenditure Statement					
		Re-measurement of the net defined benefit liability comprising:			
(2,917)	0	Return on plan assets (excluding the amount included in the net interest expense)		3,597	0
199	(20,810)	Actuarial (gains) and losses – experience		7,321	29,020
(646)	0	Actuarial (gains) and losses arising on changes in demographic assumptions		(2,349)	(15,720)
(1,649)	(6,330)	Actuarial (gains) and losses arising on changes in financial assumptions		(36,895)	(170,760)
0	0	Other movements in the liability / (asset)		0	0
(5,013)	(27,140)	Total charged to Other Comprehensive Income and Expenditure Statement		(28,326)	(157,460)
(1,571)	4,040	Total charged to the Comprehensive Income and Expenditure Statement		(24,571)	(127,920)
Movement in Reserves Statement					
(3,442)	(31,180)	Reversal of net charges made to the Surplus or (Deficit) on the Provision of Services		(3,755)	(29,540)
Actual amount charged against the general fund balance for pensions in the year:					
1,098		Employers' contributions payable to scheme		1,178	
	17,130	Retirement Benefits payable to pensioners			16,280

2021/22			2022/23	
LGPS	Firefighter Pension Scheme	Pensions Assets and Liabilities Recognised in the Balance Sheet	LGPS	Firefighter Pension Scheme
£000	£000		£000	£000
(83,665)	(517,787)	Present value of the defined obligation	(56,342)	(373,587)
61,837	0	Fair value of plan assets	60,263	0
(21,828)	(517,787)	Net (liability) / asset arising from the defined benefit obligation	3,921	(373,587)

2021/22			2022/23	
LGPS	Firefighter Pension Scheme	Movement in the Value of Scheme Assets	LGPS	Firefighter Pension Scheme
£000	£000		£000	£000
57,986	0	Opening fair value of scheme assets	61,837	0
1,215	0	Interest income	1,736	0
		Remeasurement gain / (loss):		
		- The return on plan assets, excluding the amount included in the net interest expense	(3,597)	0
1,098	17,130	Contributions from employer	1,178	16,280
456	0	Contributions from employees into the Scheme	500	0
(1,808)	(17,130)	Benefits / transfers paid	(1,362)	(16,280)
(27)	0	Administration expenses	(29)	0
61,837	0	Closing value of scheme assets	60,263	0

2021/22			2022/23		
LGPS	Firefighter Pension Scheme	Movements in the Fair Value of Scheme Liabilities	LGPS	Firefighter Pension Scheme	
£000	£000		£000	£000	
(82,483)	(530,877)	Opening balance at 1 April	(83,665)	(517,787)	
(2,865)	(19,170)	Current service cost	(3,132)	(15,150)	
0	(1,360)	Transfers In	0	(670)	
(1,718)	(10,650)	Interest cost	(2,330)	(13,720)	
(456)	0	Contributions from scheme participants	(500)	0	
<i>Remeasurement gains and losses:</i>					
646	20,810	- Actuarial gains / (losses) - experience	2,349	(29,020)	
(199)	0	- Actuarial gains / (losses) from changes in demographic assumptions	(7,321)	15,720	
1,649	6,330	- Actuarial gains / (losses) from changes in financial assumptions	36,895	170,760	
0	0	- Other	0	0	
0	0	Past service cost	0	0	
(47)	0	Gains / (losses) on curtailments	0	0	
0	0	Other Movement	0	0	
1,808	17,130	Benefits / transfers paid	1,362	16,280	
(83,665)	(517,787)	Balance as at 31 March	(56,342)	(373,587)	

LGPS - Pension Scheme - Assets comprised of:

2021/22				2022/23		
Quoted	Unquoted	Total	Fair value of scheme assets	Quoted	Unquoted	Total
£000	£000	£000		£000	£000	£000
Cash and cash equivalents:						
1,051	0	1,051	Cash accounts	434	0	434
1,051	0	1,051	Subtotal Cash and cash equivalents	434	0	434
Equities:						
11,576	0	11,576	UK Quoted	11,499	0	11,499
19,231	0	19,231	Global Quoted	24,617	0	24,617
4,044	0	4,044	US	0	0	0
272	0	272	Canada	0	0	0
2,375	0	2,375	Japan	2,127	0	2,127
99	0	99	Pacific	0	0	0
4,873	0	4,873	Emerging markets	4,857	0	4,857
2,220	0	2,220	European ex UK	1,730	0	1,730
44,690	0	44,690	Subtotal Equities	44,830	0	44,830
Bonds:						
822	0	822	UK Government indexed	325	0	325
4,910	0	4,910	Other Class 1	4,267	0	4,267
5,732	0	5,732	Subtotal Bonds	4,592	0	4,592
Property:						
0	8,082	8,082	Property Funds	0	8,105	8,105
0	8,082	8,082	Subtotal Property	0	8,105	8,105
Alternatives:						
0	2,282	2,282	Class 1	0	2,302	2,302
0	2,282	2,282	Subtotal Alternatives	0	2,302	2,302
51,473	10,364	61,837	Total Assets	49,856	10,407	60,263

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc.

The Local Government Pension Scheme has been estimated by Mercer's an independent firm of actuaries and the Firefighters Pension Scheme has been valued by the Government Actuary's Department (GAD). Estimates for the Dyfed Pension Fund (the LGPS) are based on the latest full valuation of the scheme as at 1 April 2022.

The significant assumptions used by the actuary have been:

2021/22	LGPS	2022/23
Mortality assumptions		
<i>Longevity at retirement for current pensioners</i>		
23.0	Men	21.9
24.9	Women	24.1
<i>Longevity at retirement for future pensioners</i>		
24.4	Men	23.3
27.1	Women	26.0
<i>Other assumptions</i>		
3.3%	Rate of inflation	2.7%
4.8%	Rate of increase in salaries	4.2%
3.4%	Rate of increase in pensions	2.8%
2.8%	Rate for discounting scheme liabilities	4.8%
3.3%	CARE revaluation rate	2.7%
2021/22	Firefighter Pension Scheme	2022/23
Mortality assumptions		
<i>Longevity at retirement for current pensioners</i>		
21.5	Men	21.2
21.5	Women	21.2
<i>Longevity at retirement for future pensioners</i>		
23.2	Men	22.9
23.2	Women	22.9
<i>Other assumptions</i>		
3.00%	Rate of inflation	2.60%
4.75%	Rate of increase in salaries	3.85%
3.00%	Rate of increase in pensions	2.60%
2.65%	Rate for discounting scheme liabilities	4.65%
4.75%	CARE revaluation rate	3.85%

The estimated weighted duration of the defined benefit obligation is 16 years for the Firefighter Scheme and 19 years for the Local Government Pension Scheme.

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above.

Alternative forms of remedy may have different levels of sensitivity to these assumptions; therefore, the sensitivity analyses below have been determined based on reasonably possible changes of the

assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Impact of assumptions on the obligation – LGPS

	As Reported £000	Discount Rate 0.1% Increase £000	Inflation 0.1% Increase £000	Pay Growth 0.1% Increase £000	Life Expectancy 1 Year Increase £000	+/-1% change in 2022/23 investment returns	
						+1%	-1%
						£000	£000
Liabilities	(56,342)	(51,460)	(59,016)	(56,841)	(57,487)	(56,342)	(56,342)
Assets	60,263	60,263	60,263	60,263	60,263	60,867	59,659
(Deficit) / Surplus	3,921	8,803	1,247	3,422	2,776	4,525	3,317
Projected Service Cost for Next Year	1,298	1,102	1,413	1,298	1,331	1,298	1,298
Projected Net Interest Cost for Next Year	(216)	(497)	(86)	(191)	(160)	(245)	(187)

Impact of assumptions on the obligation – FPS

	As Reported £000	Discount Rate on Liabilities 0.5% Increase £000	Increase in Salaries 0.5% Increase £000	Life Expectancy 1-year Increase £000	Increase in Pensions 0.5% Increase £000
FFPS	(373,587)	(346,727)	(378,727)	(382,727)	(398,727)

Impact on the Authority's Cash Flows

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against the levy is based on the cash payable in the year, so the real cost of post-employment / retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The transactions in the preceding table have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

The table above shows the amount included in the Balance Sheet arising from the Authority's obligation in respect of its defined benefit plans.

Note 31 - Nature & Extent of Risks arising from Financial Instruments

The Authority's activities expose it to a variety of financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due to the Authority.
- Liquidity risk – the possibility that the Authority might not have funds available to meet its commitments to make payments.
- Market risk – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates and stock market movement.

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Financial risk management is carried out under policies approved by the Authority in the Annual Treasury Management Strategy. The Authority provides written principles to overall risk management, as well as written guidance covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, the value of credit exposure to the Authority's customers is low and considered not to pose a risk.

This risk is minimised through the Annual Investment strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria. The amounts invested are restricted to prudent and affordable amounts as set out in the approved strategy.

The current strategy is to invest internally as far as possible, thus reducing the need to borrow and reducing the cash surplus available for investment and the period those surpluses are available.

The Authority's maximum exposure to credit risk is in relation to its investments with its bank. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of non-recovery applies to all of the Authority's deposits, but there was no evidence at the 31 March 2023 that this was likely to crystallise.

Liquidity Risk

The Authority monitors its cash balance to ensure that cash is available as needed. If unexpected movements happen, the Authority has ready access to borrowings from the UK Debt Management Office. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the Authority will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. The strategy is to ensure that loans mature within the approved limits shown in the table below through a combination of careful planning of new loans taken out and (where it is economic to do so) making early repayments.

The maturity analysis of financial liabilities is as follows:

	Approved minimum limits	Approved maximum limits	Actual 31 March 2023 £000	Actual 31 March 2023 %
Less than 1 year	0%	30%	3,090	11%
Between 1 and 2 years	0%	30%	565	2%
Between 2 and 5 years	0%	50%	6,500	24%
Between 5 and 10 years	0%	75%	7,000	25%
More than 10 years	25%	90%	10,465	38%
Total			27,620	100%

	Approved minimum limits	Approved maximum limits	Actual 31 March 2022 £000	Actual 31 March 2022 %
Less than 1 year	0%	30%	153	1%
Between 1 and 2 years	0%	30%	2,600	12%
Between 2 and 5 years	0%	50%	1,055	5%
Between 5 and 10 years	0%	75%	5,000	22%
More than 10 years	25%	90%	13,465	60%
Total			22,273	100%

Market Risk

Interest Rate Risk

The Authority is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Authority. For instance, a rise in interest rates would have the following effects:

- Borrowings at fixed rates – the fair value of the liabilities borrowings will fall
- Borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services will rise
- Investments at variable rates – the interest income credited to the Surplus or Deficit on the Provision of Service will rise
- Investments at fixed rates – the fair value of the assets will fall.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest receivable on variable rate investments will be posted to the surplus or Deficit on the Provision of Services and affect the General Fund Balance.

Price Risk

The Authority does not invest in equity shares and has no exposure to price risk.

Foreign Exchange Risk

The Authority has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

Note 32 - Contingent Liability

McCloud / Sargeant case

In December 2018 the Court of Appeal handed down its judgement for McCloud/Sargeant Case, upholding the view that the transitional protections introduced with the new Firefighter Pension 2015 were unlawfully discriminatory on the grounds of age.

In July 2021, HM Treasury introduced the Public Service Pensions and Judicial Office's Bill (the Bill) to the house of Lords. The Bill is primary legislation that sets out in law how the Government will remove the discrimination contained within the 2015 reforms (referred to as remedy). The Bill is currently moving through the legislative process and Royal Assent was granted in April 2022. The Bill contains the timescales for implementing the remedy by no later than October 2023.

Members who have retired or are due to retire prior to legislative arrangements being finalised are considered to be in Immediate Detriment (ID). The Service is now faced with the decision of whether to process ID cases ahead of the secondary legislation. The risk to the Service is twofold:

- If the Service does not process ID cases, there is the risk of legal action being instigated by members.
- If the Service does process ID cases, there is a financial risk associated with potential tax complexities which may arise from processing ID cases ahead of the required changes to legislation.

In November 2021, Members approved the adoption of the Framework for Managing Immediate Detriment (ID) issues. Subsequent to that decision, the Service received notification that the Home Office had withdrawn their informal guidance relating to processing ID cases, and HM Treasury advised that no ID cases should be processed before new legislation to enact the remedy was in place. The adoption of the Framework is now paused pending receipt of legal advice or guidance being obtained by the Local Government Association (LGA).

The Service has engaged their Tax Consultants to provide a package of support relating to ID case tax issues and is working with its Scheme Administrators to determine the financial implications of processing ID cases. The consultation on the legislative changes required to implement remedy for the McCloud / Sargeant case is open until 23 June 2023 and the Service is engaging in the consultation process with a view to commencing remedy in October 2023 in line with the legislation. Therefore, at this stage the value and timing of any outflow is unknown.

Special Retained Members (O'Brien / Matthews)

In November 2018 a ruling on the legal case involving part time judges (O'Brien v Ministry of Justice) has a direct impact on the equivalent case for retained firefighters (Matthews). Welsh Government Ministers agreed to extend the pension entitlement to eligible firefighters to cover service pre-July 2000. This requires Fire and Rescue Authorities to undertake a second options exercise. At this stage it is unclear when the options exercise will begin and there are additional uncertainties of the numbers of members who will elect to take up benefits and the size of the benefit they will elect to receive. As the consultation process is still ongoing, at this stage the value and timing of any outflow is unknown.

Urban Search and Rescue (USAR) Allowances (Booth & Others v MAWWFRA)

In March 2019 the High Court ruled in favour of a member challenging the definition of pensionable salary used by the Authority (Booth). The ruling was regarding the pensionable status of allowances

received by some firefighters and, in particular, ruled that USAR remains not pensionable under the Firefighter Pension Scheme.

In view of the outcome of the High Court Judgement, and as the High Court focused solely on linking the USAR allowance to an individual's primary contract under one of the Firefighter Pension Scheme(s), a request was made to look at other alternatives so that members of the USAR team can be provided with access to a workplace pension in accordance with the Pensions Act 2008.

The Service has sought legal advice from Employment Law specialists who reviewed alternative pension schemes for which USAR personnel might be entitled to join, and based on all the available information, it is considered that the Local Government Pension Scheme (LGPS) is the most appropriate scheme. However, as USAR is funded via Welsh Government this is considered an All-Wales issue and requires further consultation before any changes can be implemented. Therefore, at this stage the value and timing of any outflow is unknown.

Employment Tribunal

During the year, there were a small number of claims made to Employment Tribunal against the Authority, all of which have been settled during 2022/23. We are aware of one case pending for the coming year 2023/24, but it is not possible to reliably estimate either the likelihood or value to the Authority if the Tribunal rules in the claimant's favour. No provision has therefore been made in these financial statements.

Firefighters Pension Fund Accounts

Firefighters Pension Fund Account for the year ended 31 March 2023

2021/22 £000		2022/23 £000
	Contributions Receivable:	
	Employer:	
(5,731)	- Normal	(6,197)
(167)	- Early retirements (ill health)	(223)
(2,773)	- Members	(2,970)
<u>(8,671)</u>		<u>(9,390)</u>
(1,363)	Individual Transfers in from other schemes	(666)
(10,034)		(10,056)
	Benefits Payable:	
12,746	- Pension	13,596
4,186	- Commutations and lump-sum retirement benefits	2,683
155	- Lump sum death	0
<u>17,087</u>		<u>16,279</u>
	Payments to and on account of leavers:	
46	- Individual transfers out to other schemes	4
17,133		16,283
7,099	Deficit for year before grants receivables from the Welsh Government	6,227
(7,099)	Top up grant Receivable from the Welsh Government	(6,227)
0	Net amount payable / receivable for the year	0

Net Assets Statement as at 31 March 2023

2021/22 £000		2022/23 £000
	Current Assets:	
1,439	Amount owed by General Fund	0
0	Amount owed by Welsh Government	302
1,439	Total Current Assets	302
	Current Liabilities:	
0	Amount owed to General Fund	(302)
(1,439)	Amount owed to Welsh Government	0
(1,439)	Total Current Liabilities	(302)

Notes to the Firefighters Pension Fund Account

The Fund was established 1 April 2007 and covers the 1992, 2006, 2015 and the Modified Firefighters' Pension Schemes and is administered by the Authority. The 2015 scheme introduced new contribution rates for both employers and employees and reduced pension benefits. Members of the 1992 and 2006 schemes who do not meet the prescribed criteria, will transition into the 2015 scheme under a tapering arrangement. On 1 April 2016, the retained Modified Pension Scheme was introduced in addition to the original 1992, 2006 and 2015 schemes. The scheme allowed individuals who were employed as On-Call members of staff between the years 2000-2006 the opportunity to buy back service. If the individuals were still employees, then they could enter into the retained Modified Pension Scheme which benefits from the same contribution rates as the 1992 scheme.

Employee and employer contributions are paid into the Fund, from which payments to pensioners are made. Employees' and employer's contribution levels are based on percentages of pensionable pay set nationally by Welsh Government (WG) and subject to quadrennial revaluations by the Government Actuary's Department (GAD). The scheme is an unfunded scheme with no investment assets and any difference between benefits payable and contributions receivable is met by Top Up Grants from the Welsh Government (WG).

Transfers into the scheme are a transfer of pension benefits from another pension scheme for new or existing employees and transfers out are transfer benefits for employees who have left the Authority and joined another pension scheme. The Authority is responsible for paying the employer's contributions into the fund and these are the costs that are identified in the accounts for the Authority.

At the beginning of the financial year an assessment is made of the amount of Top Up Grant required from Welsh Government and 80% of the estimate is paid in addition to the surplus/deficit (asset/liability) which is payable / receivable from the previous year, this is paid in April of each year. As such, any asset / liability on the Pension Fund is matched by a corresponding value on the Authority balance sheet. The 2022/23 estimate included an assessment of the number of firefighters due to retire within the year based on age and years' service, from this an estimate can then be made of the commutation payments that would fall due and the additional pension payments.

The accounting policies adopted for the production of the Pensions Fund Account are in line with recommended practice and follow those that apply to the Authority's primary statements.

Contribution Rates

From 1 April 2022 all members of the FPS1992, NFPS 2006 and the Modified scheme (legacy schemes) were transferred to the 2015 scheme, therefore the following are the only scheme rates payable under the new Pension Regulations. Any payments reported as being made under the legacy schemes are for buyback purposes only.

Under the Firefighters' Pension Regulations, the employer's contribution rate for the 2015 scheme was 27.3% of pensionable pay, with employee's rates as per the pensionable pay banding detailed below:

Pensionable Pay Band	2022/23 Contribution Rate %
Up to and including £27,818	11.0
More than £27,818 and up to and including £51,515	12.9
More than £51,515 and up to and including £142,500	13.5
More than £142,500	14.5

The Firefighters' Pension Fund Account does not take account of liabilities for pensions and other benefits after the period end as this is the responsibility of the Authority. Details of the long-term pension obligations can be found in Note 30 to the core financial statements (£373.587m at 31 March 2023, and £517.787m at 31 March 2022).

Glossary of Terms used in the Statement of Accounts

ACCOUNTING PERIOD

The period of time covered by the accounts, normally a period of twelve months commencing on 1 April. The end of the accounting period is the Balance Sheet date.

ACCOUNTING POLICIES

These specify policies and procedures used by the Authority to prepare its Financial Statements, including methods, measurement systems and procedures for presenting disclosures.

ACCRUALS

Sums included in the final accounts to recognise revenue and capital income and expenditure earned or incurred in the financial year, but for which actual payment had not been received or made as at 31 March.

ACTUARIAL GAINS AND LOSSES

For a defined benefit pension scheme, the changes in actuarial surpluses or deficits that arise because:

- Events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or
- The actuarial assumptions have changed.

ASSET

An item having value to the Authority in monetary terms. Assets are categorised as either current or non-current:

- A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock);
- A non-current asset provides benefits to the Authority and to the services it provides for a period of more than one year and may be tangible e.g. a fire station, or intangible, e.g. computer software licences.

AUDIT OF ACCOUNTS

An independent examination of the Authority's financial affairs.

BALANCE SHEET

A statement of the recorded assets, liabilities and other balances at the end of the accounting period.

BORROWING

Using cash provided by another party to pay for expenditure, on the basis of an agreement to repay the cash at a future point, usually incurring additional interest charges over and above the original amount.

BUDGET

The forecast of net revenue and capital expenditure over the accounting period.

CAPITAL EXPENDITURE

Expenditure on the acquisition of a non-current asset, which will be used in providing services beyond the current accounting period, or expenditure which adds to and not merely maintains the value of an existing non-current asset.

CAPITAL FINANCING

Funds raised to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

CAPITAL PROGRAMME

The capital schemes the Authority intends to carry out over a specific period of time.

CAPITAL RECEIPT

The proceeds from the disposal of land or other non-current assets. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by the government but they cannot be used to finance revenue expenditure.

CIPFA

The Chartered Institute of Public Finance and Accountancy.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

The account of the Authority that reports the net cost for the year of the functions for which it is responsible and demonstrates how that cost has been financed from precepts, grants and other income.

CONTINGENT ASSET

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Authority's control.

CONTINGENT LIABILITY

A contingent liability is either:

- A possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Authority's control; or
- A present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.

CREDITOR

Amount owed by the Authority for work done, goods received, or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

CURRENT SERVICE COST (PENSIONS)

The increase in the present value of the defined benefit pension scheme's liabilities, expected to arise from employee service in the current period.

DEBTOR

Amount owed to the Authority for works done, goods received, or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

DEFINED BENEFIT PENSION SCHEME

Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

DEPRECIATION

The measure of the cost of wearing out, consumption or other reduction in the useful economic life of the Authority's non-current assets during the accounting period, whether from use, the passage of time, or obsolescence through technical or other changes.

DISCRETIONARY BENEFITS (PENSIONS)

Retirement benefits, which the employer has no legal, contractual or constructive obligation to award and are awarded under the Authority's discretionary powers such as the Local Government (Discretionary Payments) Regulations 1996.

EVENTS AFTER THE BALANCE SHEET DATE

Events after the Balance Sheet date are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue.

EXPECTED RETURN ON PENSION ASSETS

For a funded defined benefit scheme, this is the average rate of return, including both income and changes in fair value, but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme.

FAIR VALUE

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction.

FINANCE LEASE

A lease that transfers substantially all of the risks and rewards of ownership of a non-current asset to the lessee.

GOVERNMENT GRANTS

Grants made by the government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Authority. These grants may be specific to a particular scheme or may support the revenue spend of the Authority in general.

IMPAIRMENT

A reduction in the value of a non-current asset to below its recoverable amount, the higher of the asset's fair value less costs to sell and its value in use.

INFRASTRUCTURE ASSETS

Non-current assets belonging to the Authority that cannot be transferred or sold, on which expenditure is only recoverable by the continued use of the asset created. Examples are hydrants.

INTANGIBLE ASSETS

An intangible (non-physical) item may be defined as an asset when access to the future economic benefits it represents is controlled by the reporting entity. This Authority's intangible assets comprise computer software licences.

INTEREST COST (PENSIONS)

For a defined benefit scheme, the expected increase during the period of the present value of the scheme liabilities because the benefits are one period closer to settlement.

INVESTMENTS (PENSION FUND)

The investments of the Pension Fund will be accounted for in the statements of that fund. However, Authorities are also required to disclose, as part of the disclosure requirements relating to retirement benefits, the attributable share of the pension scheme assets associated with their underlying obligations.

LIABILITY

A liability is where the Authority owes payment to an individual or another organisation.

- A current liability is an amount which will become payable or could be called in within the next accounting period, e.g. creditors or cash overdrawn.
- A deferred liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.

LONG-TERM CONTRACT

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken to substantially complete the contract is such that the contract activity falls into more than one accounting period.

MINIMUM REVENUE PROVISION (MRP)

The minimum amount which must be charged to the revenue account each year in order to provide for the repayment of loans and other amounts borrowed by the Authority.

NET BOOK VALUE

The amount at which non-current assets are included in the Balance Sheet, i.e. their historical costs or current value less the cumulative amounts provided for depreciation.

OPERATING LEASE

A lease where the ownership of the non-current asset remains with the lessor.

PAST SERVICE COST (PENSIONS)

For a defined benefit pension scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

PENSION SCHEME LIABILITIES

The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

PRIOR YEAR ADJUSTMENT

Material adjustments applicable to previous years arising from changes in accounting policies or from the correction of fundamental errors. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.

PROVISION

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

PUBLIC WORKS LOAN BOARD (PWLB)

A Central Government Agency, which provides loans for one year and above to Authorities at interest rates only slightly higher than those at which the government can borrow itself.

RELATED PARTIES

There is a detailed definition of related parties in IAS 24. For the Authority's purposes related parties are deemed to include the Authority's members, the Chief Executive, its Directors and their close family and household members.

RELATED PARTY TRANSACTIONS

The Statement of Recommended Practice requires the disclosure of any material transactions between the Authority and related parties to ensure that stakeholders are aware when these transactions occur and the amount and implications of such.

REMUNERATION

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits. Received other than in cash. Pension contributions payable by the employer are excluded.

RESERVES

The accumulation of surpluses, deficits and appropriations over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the Authority. Some capital reserves such as the Capital Adjustment account cannot be used to meet current expenditure.

RETIREMENT BENEFITS

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

REVENUE EXPENDITURE

The day-to-day expenses of providing services.

USEFUL LIFE

The period over which the Authority will derive benefits from the use of a non-current asset.



Awdurdod Tan ac Achub
Canolbarth a Gorllewin Cymru

Mid and West Wales
Fire and Rescue Authority

Annual Governance Statement

For the year ended 31 March 2023



Gwasanaeth Tân ac Achub
Canolbarth a Gorllewin Cymru

Mid and West Wales
Fire and Rescue Service

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This Statement has been prepared in accordance with guidance produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE), the '*Delivering Good Governance in Local Government Framework*' 2016. This Annual Governance Statement explains how the Authority has complied with the framework and its seven core principles of good governance to ensure that resources are directed in accordance with agreed policy and priorities.

Scope of Responsibility

Mid and West Wales Fire and Rescue Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards; that public money is safeguarded and appropriately accounted for; and used economically, efficiently, effectively and equitably.

The Authority has a duty under the Local Government (Wales) Measure 2009 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, effectiveness and equity. The Well-being of Future-Generations (Wales) Act 2015 places a well-being duty on public bodies to set and publish well-being objectives, designed to maximise their contribution to the seven national well-being goals, with a focus on sustainable development.

The introduction of the Local Government and Elections (Wales) Act 2021 has also introduced the establishment of a new and reformed legislative framework for local government elections, democracy, governance and performance, including the provision of a multi-location policy for meetings.

In discharging its overall responsibility, Members and Senior Officers are responsible for putting in place appropriate arrangements for the governance of the Fire and Rescue Authority's affairs and the stewardship of the resources at its disposal, which includes arrangements for the management of risk.

Strategic leadership is given by and discharged through the Fire Authority and its various Committees, panels and working groups, which enable Members to decide on issues affecting the running of the Fire Authority, in accordance with the principles of openness and democratic accountability.

The day-to-day management and delivery of the Service's functions is carried out by Fire Service Officers under the overall control and guidance of the Chief Fire Officer, who discharges these functions in accordance with the governance framework and the determinations of the Fire Authority and its Committees. In so doing, the Chief Fire Officer is assisted by the Executive Leadership Team.

Mid and West Wales Fire and Rescue Authority's Governance Arrangements

The Authority is committed to demonstrating that it has the necessary corporate governance arrangements in place to perform effectively. The Authority provides clear strategic direction, and its Constitution clearly defines the roles of Members and Officers. Internal Audit and the Performance Audit and Scrutiny Committee are committed to ensuring that governance arrangements are effective and robust. The key roles of the Constitution and those responsible for developing and maintaining the Authority's Code of Corporate Governance Framework are set out below.

Constitution	The purpose of the Constitution is to set out in clear language how the Fire Authority works and how it makes decisions.
Fire Authority	Approves the Constitution (including Standing Orders and Financial Regulations). Approves key policies and budgetary framework. Is the main decision-making body of the Authority. Comprises twenty-five Members (including the Chair).
Performance Audit and Scrutiny Committee	Provides independent assurance to the Fire Authority on the adequacy and effectiveness of the governance arrangements, risk management framework and internal control environment. Promotes high standards of Member conduct. Makes recommendations to the Fire Authority on the approval of the Annual Statement of Accounts and Annual Governance Statement, and in appropriate circumstances approves the Annual Statement of Accounts.
Resource Management Committee	Responsible for the effective management of the resources of the Fire Authority, in particular managing and developing the financial, human and property resources of the Authority together with its procurement, Information and Communication Technology (ICT), human resources and transport functions and its engagement with stakeholders.
Executive Leadership Team	Implements the policy and budgetary framework set by the Fire Authority and provides advice to the Fire Authority on the development of future policy and budgetary issues. Oversees the implementation of policy and service delivery.
Section 151 Officer	Ensures lawful and financially prudent decision making. Administration of financial affairs. Accountable for developing and maintaining the Fire Authority's governance, risk and control framework. Contributes to the effective corporate management and governance of the Fire Authority.

Monitoring Officer	<p>Reports on contraventions or likely contraventions of any enactment or rule of law.</p> <p>Reports on any maladministration or injustice where the Local Government Ombudsman has carried out an investigation.</p> <p>Maintains and updates the Constitution.</p> <p>Establishes and maintains registers of member interests and gifts and hospitality.</p> <p>Advises Members on the interpretation of the Code of Conduct for Members and Co-opted Members.</p> <p>Contributes to the effective corporate management and governance of the Fire Authority.</p>
Internal Audit	<p>Provides independent assurance and annual opinion on the adequacy and effectiveness of the Fire Authority's governance, risk management and control framework.</p> <p>Delivers an annual programme of risk-based audit activity, including counter fraud and investigation activity.</p> <p>Makes recommendations for improvements in the management of risk.</p>
Managers	<p>Responsible for developing, maintaining, and implementing the Fire Authority's governance, risk and control framework.</p> <p>Contribute to the effective corporate management and governance of the Fire Authority, through monthly Directorate meetings, Service Leadership Team meetings and Operational Response Forums.</p>

Mid and West Wales Fire and Rescue Authority's Governance Framework

A Code of Corporate Governance was developed by Mid and West Wales Fire and Rescue Authority in 2010 and revised in 2017 in accordance with the CIPFA / SOLACE Delivering Good Governance in Local Government Framework 2016.

The Code of Corporate Governance comprises the systems, processes, culture and values by which Mid and West Wales Fire and Rescue Service is directed and controlled and also the way it accounts to, engages with and leads the community. It enables Mid and West Wales Fire and Rescue Authority to monitor the achievement of its Strategic Aims and to consider whether the Service has delivered appropriate, effective and efficient services. The system of internal control forms a significant part of the Code of Corporate Governance and is designed to manage risk to a reasonable level. It evaluates the likelihood and impact of identified risks being realised and manages each risk appropriately.

The Authority's Code of Corporate Governance brings together in one document all the governance and accountability arrangements the Service has in place. The Code of Corporate Governance Framework is based on best practice guidance set out in the CIPFA / SOLACE Framework, Delivering Good Governance in Local Government and is used to review the Authority's governance arrangements on an annual basis.

The Authority has conducted an annual review of the effectiveness of its governance against the CIPFA / SOLACE Delivering Good Governance Framework (2016) during 2022/23. The annual review of the Code of Corporate Governance was informed by managers within the Service who have responsibility for the development and maintenance of the governance environment and by comments made by internal and external audit, as well as other inspection agencies. The reviewed and revised Code of Corporate Governance to year end 31 March 2023, was approved by the Performance Audit and Scrutiny Committee in May 2023.

This Statement provides assurance as to how the Authority has complied with the seven core principles and sub-principles of its Code of Corporate Governance Framework during the financial year 2022/23.

This statement also meets the requirement of The Accounts and Audit (Wales) Regulations 2014.

Mid and West Wales Fire and Rescue Authority Governance Assurances for 2022/23

The Authority's Code of Corporate Governance sets out the Authority's commitment to the principles of good governance. A copy of the Authority's full Code of Corporate Governance, to year ending 31 March 2023, can be accessed on the Service's website. The following section provides a brief overview of the governance assurances undertaken by the Authority during 2022/23.

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

New Chief Fire Officer and Executive Leadership Team

During 2022/23, following the appointment of a new Chief Fire Officer in April 2022, the Service's Executive Leadership Team has seen significant change, with a new Deputy Chief Fire Officer, Assistant Chief Fire Officer, Assistant Chief Officer, Corporate Head of Resources and Interim Treasurer all taking up post during this time.

Whilst the advent of a new leader within an organisation is sometimes accompanied by trepidation and a period of instability, a significant amount of work has taken place during 2022/23 to ensure the Service continues to learn, develop and improve during the period of transition. Key areas where this can be seen include:

- A review of the Service's organisational structure has taken place to facilitate streamlined decision making, increase accountability and deliver a more effective structure which supports the delivery of the Service's Vision, Mission and Values.
- The Chief Fire Officer has initiated three work packages designed to focus attention on areas of the Service where improvements need to be prioritised.
 - Operational training.
 - Organisational governance and decision making.
 - Staff reward and recognition.
- The Executive Leadership Team have reviewed their communication commitments, dedicating themselves to communicating in a consistent, informative and collaborative fashion with the Service and the communities it serves to support the ongoing ethos of being open, transparent and accountable for all strategic decision making.

Core Values

The Service's Vision, Mission and Values are clearly published within its Strategic Plan 2022-27.

Setting out its key Commitments over the next five years, the Strategic Plan for 2022-27 is supported by an Annual Business Improvement Plan, which outlines its Improvement and Well-being Objectives for the year ahead. The Service's Strategic Plan 2022-27 and its Annual Business Improvement Plan 2022/23 were published on the 1 April 2022.

Due to a delay in receiving the revised Performance Framework from Welsh Government, which will be introduced to replace the repealed performance requirements of Fire and Rescue Authorities within the Local Government (Wales) Measure 2009; a revised improvement planning process will now be considered during 2023/24. This will be supported by the commencement of a review of the Service's Vision, Mission and Values, by the Service's Executive Leadership Team, which will be informed by a Cultural Audit which is currently being undertaken and due to be completed in the early part of 2023/24.

During 2022/23, the Service has also undertaken a benchmarking exercise against the newly published Fire Standards. Designed, developed and published by a Fire Standards Board, the purpose of these Standards is to oversee the identification, organisation, development and maintenance of professional Standards for Fire and Rescue Services. Although not legislatively applicable to Fire and Rescue Services within Wales, it is without doubt that they directly correlate to the work the Service does, and as such, undertaking this exercise has been critical in identifying areas for improvement.

One of the key Standards that has been analysed during 2022/23 is the Code of Ethics Standard. It is understood that a Fire and Rescue Service which has embedded and is committed to the ethical principles and professional behaviours contained in the Core Code of Ethics (Core Code), has a more positive working culture and continuously improves the quality of its service to the public. Learning from the gap analysis undertaken against this Standard has enabled the Service to reassure itself that it is demonstrating strong commitment to ethical values and has also identified areas where this can be improved in the future.

The Code of Conduct for Members, which is published within the Constitution, outlines the behaviours and conduct expected of Members. As part of their induction process, all new Members and personnel also receive an overview of the standards of conduct and behaviour expected of them. This is further supported by the Member Development Strategy and Annual Training Programme which ensures Members receive appropriate training and support for their roles.

Finally, the Service's performance appraisal process, which was reviewed in 2021/22 in line with the National Fire Chief Council Leadership Framework and will become effective in 2023/24, will ask all personnel and Managers to indicate how they feel personnel have behaved in relation the Service's Values during the year.

The Constitution

The Authority's Constitution is publicly available on the Authority pages of the Service's website and explains how the Authority operates and how it makes decisions. The Constitution is subject to periodic comprehensive reviews, with ongoing updates as required to reflect legislative changes and according to need.

In December 2022, the Authority received and approved a paper proposing changes to sections of its Constitution.

Revisions were focused around the formal application of a Multi-Locations Meeting Policy, as required by the Local Government (Wales) Act 2021, which states that the Authority is required to make and publish arrangements to ensure that all Fire Authority, Performance, Audit and Scrutiny Committee and Resource Management Committee meetings, may be attended remotely (i.e., enabling persons who are not in the same place to attend the meeting) – also referred to as 'multi-location meetings'.

To support this, the Caer Suite, the Service's meeting room at Service Headquarters for the convening of Authority meetings, has now been refurbished to facilitate hybrid meetings of the Authority.

The Monitoring Officer and Section 151 Officer

Legal and Financial advice is provided on all appropriate reports for decision by the Authority's Clerk / Monitoring Officer and the Authority's Section 151 Officer, who approve all Authority and Committee meeting paperwork prior to publication. Reports clearly outline financial and legal advice being provided to Members for their decision-making purposes and arrangements are in place to ensure the decisions of the Authority, and the basis on which those decisions are made, are recorded.

The Authority's Monitoring Officer has a specific duty to ensure the Authority, its Officers and Elected Members maintain the highest standards of conduct. The Authority's Monitoring Officer also has a specific duty to report matters he or she believes are, or likely to be, illegal or amount to maladministration. The Monitoring Officer therefore ensures the lawfulness and fairness of Authority decision making. The Monitoring Officer also ensures that the necessary arrangements are in place to facilitate effective communication between Officers and Members, and the formal recording and publication of the democratic decision-making process.

Further to a decision taken by the Authority at its Appointments Committee in November 2021, which was ratified by the full Fire Authority at its meeting in December 2021; the Authority has during 2022/23 changed its arrangements for the provision of Section 151 Officer services, which had been provided under a Service Level Agreement with Carmarthenshire County Council since 2018. The Service's Head of Finance was offered, and accepted, the opportunity to be appointed as the Interim Treasurer (Section 151 Officer) from 1 August 2022 to 31 July 2023. The Fire Authority also supported the current Section 151 Officer's (Carmarthenshire County Council - Director of Corporate Services) appointment of the Service's Head of Finance as Deputy Section 151 Officer in the interim period up to 31 July 2022. The Service Level Agreement for 2022/23 was amended to provide strategic financial mentoring and coaching to the Interim Section 151 Officer for the period 1 August 2022 to 30 September 2022 to assist with the transition process. During 2023/24 the Authority will evaluate the interim arrangement before determining how the Section 151 Officer responsibilities will be discharged from 1 August 2023.

Principle B: Ensuring openness and comprehensive stakeholder engagement.

Effective Communication, Consultation and Engagement

The Authority has a well-established corporate planning cycle which is reviewed annually to ensure its effectiveness.

As part of the Authority's commitment to continuous improvement, between October and December 2021, the Service consulted on its revised planning process for 2022 onwards, which included its Strategic Plan for 2022-27, which references its longer-term Commitments; and its Annual Business Improvement Plan 2022/23, which outlines its Improvement and Well-being Objectives for the year ahead. Feedback received during the consultation process was considered by the Officers and Members and incorporated, where appropriate into the revised final Strategic Plan

2022-27 and Annual Business Improvement Plan 2022/23, which were published on the 1 April 2022.

In a similar vein, a subsequent 10-week public consultation exercise, designed to gather feedback on the content of the draft Annual Business Improvement Plan 2023/24, was conducted between 27 September 2022 – 06 December 2022. Some 50,000 engagements and 251 responses were received as part of this process and where appropriate, incorporated into the final draft of the Annual Business Improvement Plan 2023/24. This Plan was put before, and approved by the Authority at its meeting on 6 February 2023 and will go live on 1 April 2023.

Over the coming twelve months, the Service is intending to undertake a review of its corporate planning process, which will include a revision of its Vision, Mission and Values, which will in part be supported by the outcome of a Cultural Audit; a review of the number of Plans it currently facilitates; a focus on longer term planning and objective setting; and a resetting of focus to the Service's legitimate purpose.

Corporate Budget Planning with Fire Authority Members and Constituent Local Authorities

The Service's Communications, Consultation and Engagement Strategy outlines the Service's approach to communication, including an overview of key stakeholders to be communicated with and the most appropriate mechanism to ensure effective communications and engagement with key target groups. Throughout 2022/23, the Service's Executive Board, along with the Authority's Interim Section 151 Officer have engaged in several Corporate Budget Planning workshops with elected members in order to identify the levy requirement for 2023/24. This consultation process has also involved providing presentations at Constituent Local Authority meetings, as well as meeting with Constituent Local Authority Treasurers.

Stop, Start and Continue Survey and Cultural Audit

As a public sector organisation, the Service is accountable to the communities it serves, and as such, effective governance is central to improved decision-making. Accountability isn't just about taking responsibility – it involves us committing to a set of actions, attitudes, aspirations, and expectations, that establish how we lead and manage, the value we can add to our existing Service as well as driving any innovation we wish to undertake.

Recognising this, the Chief Fire Officer and Executive Leadership Team embarked on two pieces of work during 2022/23, designed to understand more about the Service and the view of its staff.

The first, a Stop/Start/Continue Survey, was designed to understand what the Service's staff thought the Service did well and equally not so well; what it needs to do more of; and what it should stop doing. It also focussed on and encouraged staff to think about what it needed to start doing - what it could introduce to improve business processes to ensure it remains an effective and efficient Service for its communities. The survey closed at the end of July 2022 and the Service has subsequently analysed the responses and issued a report detailing the findings, a suite of recommendations and next steps for the implementation phase.

The second, a Cultural Audit, committed to by the Chief Fire Officer at the outset of his tenure in April 2022, is intended to gain a better understanding of the habits, norms, values and behaviours that underpin the way in which the Service approaches the delivery of its services.

Since committing to this piece of work, the landscape for Fire and Rescue Services (FRS) across the UK has changed with outcomes of the independent cultural review on London Fire Brigade and the more recent public allegations in respect of the inappropriate behaviour of personnel within other Fire and Rescue Services, painting an incredibly challenging picture for the sector. This focus



has evolved even further with the publication in March 2023 of His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) Spotlight Report on Fire & Rescue Services relating to FRS Culture and Inclusion containing 35 Recommendations for action by FRS's. As such, the publication of this survey could not have been timelier. Indeed, launching in February 2023, this process is still at the stage of data gathering before the responses are collated, analysed and recommendations formed.

Principle C: Defining outcomes in terms of sustainable, economic, social, and environmental benefits.

Our commitment to the Well-being of Future Generation's Act (Wales) 2015

The Service remains committed to supporting the Well-being of Future Generations (Wales) Act 2015 and embraces its duties and role as a statutory partner on its six Public Service Boards.

The Service's Strategic Plan 2022-27 was developed in accordance with the requirements of the Well-being of Future Generations (Wales) Act 2015 and ensures the Service continues to consider the long-term impact of its decision making on its communities. The Plan also highlights how the Service's strategic commitments contribute to the Act's seven Well-being Goals; and how the Service will consider and incorporate, where appropriate, the sustainable development principle and its five ways of working in delivering its Improvement and Well-being Objectives.

As a statutory partner on six Public Service Boards, the Service has continued to play a key role in the formation of all six updated Local Well-being Plans during 2022/23, which represent the communities of mid and west Wales. Representatives from the Service also participate in several delivery and implementation groups across each of its six Public Service Boards, ensuring that the objectives identified as priority partnership areas are successfully delivered.

The Service's Mission, Vision and Values and the ethos of the Well-being of Future Generations (Wales) Act 2015, greatly influence the Service's improvement planning arrangements. Service Plans are reviewed annually and revised in accordance with feedback from staff, members of the public, partner agencies and other key stakeholders, including Commissioners and Auditors. Regular progress reports on performance matters are also presented to the Authority's Performance, Audit and Scrutiny Committee and Resource Management Committee on a quarterly basis.

Procurement Strategy

A full review of the Welsh FRS Procurement Strategy has been undertaken and presented and approved by the Service's Service Leadership Team in August 2022.

Carbon Reduction, Sustainability and Social Value have now been embedded into the procurement process where relevant.

Medium Term Financial Planning

A robust budget setting process was followed in 2022/23 which included Officers, Members and participation by representative bodies.

The Service's Medium-Term Financial Strategy, which supports the planning of resource allocation and spending, and provides the financial framework for supporting the budget setting process, was considered by the Fire Authority in September 2022.

The Service's Medium-Term Financial Plan, which includes the Revenue Budget requirement for the coming financial year and the 5-year Capital Programme, were reported to Resource

Management Committee in November 2022, Fire Authority in December 2022, culminating in approval by the Fire Authority in February 2023.

The Capital Strategy, as approved by Members annually, sets out the Service's long-term context in which capital expenditure and investment decisions are made. It also provides the framework for ensuring the Service's 5-year Capital Programme is aligned to the Service's strategic commitments as outlined in its Strategic Plan. The Service's Strategic Asset and Capital Management Group have met quarterly throughout 2022/23 to monitor and review the 5-year capital programme.

The Treasury Management Strategy Statement, as approved by Members annually, sets out the limits and controls to be applied when borrowing and investing funds. It includes Capital Prudential Indicators which show the financial impact of capital expenditure decisions so that it can be determined as to whether those decisions are affordable, prudent and sustainable. It also includes Treasury Management Prudential Indicators which set constraints on Treasury Management decisions to ensure that they are made in accordance with good practice.

Revenue Budget and Capital Programme monitoring reports, summarising the actual expenditure to date and forecast outturn, were presented to the Resource Management Committee on a quarterly basis throughout the year.

The Draft Annual Statement of Accounts for 2021/22 was completed by 31 May 2022 and the final audited version was subsequently received by the Performance, Audit and Scrutiny Committee at their meeting in July 2022, the unqualified audit report was also presented at this meeting.

Revised budget guidance was presented to the Service Leadership Team in April 2022.

Treasury Management training was also delivered to the Fire Authority and Officers involved in the daily Treasury Management function, in January 2023.

[Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes.](#)

The Authority's Elected Members are closely involved in scrutinising performance data, which is reported at both Committee and full Authority meetings. As already outlined in Principle A, the Authority, through the appointment of the Monitoring Officer, ensures that the necessary arrangements are in place to facilitate effective communication between Officers and Members; whilst the Authority's scheme of Standing Orders clearly sets out the roles and responsibilities of Members and Officers ensuring informed and effective decision making by the Authority.

The Service's Improvement and Well-being Objectives, outlined in its Annual Business Improvement Plan 2022/23, were designed in conjunction with Members and representative bodies at Corporate Budget and Planning meetings, which are held throughout the year to discuss the budget planning requirements for the year ahead. This process ensures that the Authority forecasts for future planning purposes and that the Service's improvement planning process aligns with the Service's Medium-Term Financial Strategy and Medium-Term Financial Plan.

The Consultation process was supported by a Communication, Consultation and Engagement Plan. A full report, detailing the findings and recommendations from the consultation process, was reported to the Fire Authority in February 2022, outlining how any changes as a result of the consultation process had been incorporated within the final version of the Plans, which were subsequently published on 1 April 2022.

A similar approach is taken to the development of the Service's Sustainability and Environment Plan, Strategic Equality Plan and Welsh Language Standards, to ensure all statutory guidance is adhered to and objectives delivered.

Quarterly monitoring reports, identifying progress and performance against the Improvement and Well-being Objectives for 2022/23, including updates on the Service's strategic and key performance indicators are presented to the Performance, Audit and Scrutiny Committee. An Annual Performance Assessment, providing an overview of performance to year end, is also presented to the Fire Authority and published for annual audit by Audit Wales.

Compliance certificates were received from Audit Wales in respect of the publication of the Authority's Annual Performance Assessment 2022 and the Authority's Improvement and Well-being Objectives for 2022/23.

As a result of the introduction of The Local Government and Elections (Wales) Act 2021 and the partial repeal of the Local Government (Wales) measure 2009, it is anticipated that the Service will be required to review its corporate planning processes during 2023/24, to align to a revised performance framework set to be introduced by Welsh Government.

The Service's Performance and Improvement Progress Reports for 2022/23, along with the Service's Strategic Equality Plan Progress Reports for 2022/23, the Service's Annual Sustainability and Environmental Report and Annual Welsh Language Monitoring Report, are available on the Service's website.

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it.

Our People

The Service maintains robust strategic workforce planning processes to ensure the Service employs the correct number of people, with the necessary skill sets to meet the objectives set out in its corporate plans. Strategic workforce planning is embedded in the organisation and analysis of workforce data enables proactive identification of future staffing requirements.

Commissioned by the Fire Authority in December 2021, the Service has embarked on a job evaluation process for support staff throughout 2022/23. Of the 227 job roles evaluated as part of the process, 134 roles were identified as requiring an uplift in pay whilst 93 were determined to have pay levels which were commensurate with expectations of the role. Whilst no roles were identified as requiring a decrease in pay, an appeals process is underway, which is set to conclude by summer 2023.

The Service also maintains the Corporate Health Award requirements and biennial fitness tests are undertaken for all Operational Staff as part of the all-Wales approach to operational firefighter fitness. A fitness assessment programme for operational staff is fully embedded in the Service and fitness equipment is provided at all Fire Stations. Risk Critical training plans, along with Individual Development Reviews ensure people have the appropriate training and development to undertake their roles competently and safely.

The Service remains a signed-up partner to the all-Wales Organisational Development Strategy with career pathways mapped out for all sectors within the organisation. The Service's performance appraisal process was reviewed in 2022/23 in line with the National Fire Chief Council Leadership Framework with work now coming to an end in readiness to launch a new appraisal process during 2023/24.

The Service's Strategic Workforce Group has also met regularly throughout 2022/23, as well as the Service's Transfer and Promotion Panel and the Service's Fitness Advisory Panel.

Principle F: Managing risks and performance through robust internal control and strong public financial management.

Risk Management

The Corporate Risk Department maintains the Service's Risk Management Policy and associated methodologies. The Risk Management Policy outlines roles and responsibilities for both Service Staff and Elected Members.

To coordinate its arrangements for matters of risk management, the Service has established a dedicated Business Risk Management Group. Chaired by the Director of Risk Management and Improvement, this group meets on a quarterly basis and includes representation from each of the Service's Directorates and the Fire Authority.

Following these meetings an updated report on the Service's Business Risk Register is provided to the Performance Audit and Scrutiny Committee on a quarterly basis.

The underpinning risk ranking methodology used by the group is derived from the 2004 publication by Her Majesty's Treasury titled 'The Orange Book – Management of Risk – Principles and Concepts'.

For any risk identified on the Business Risk Register, there is a documented audit trail and rationale as to why the risk has been identified and what mitigation is in place by the Service as part of its risk control measure.

Business Risk Register updates and current 'risks' are communicated to personnel as and when required, with ongoing risk management training provided by the Corporate Risk Department.

The Service's Business Risk Management Group monitored progress in relation to the Code of Corporate Governance during 2022/23 and also progress on the Service's Internal and External Audit processes.

Financial Management

The Authority's Financial Procedure Rules, which are published within the Authority's Constitution, were reviewed and revised during 2020/21. The revised Financial Procedure Rules were presented to the Resource Management Committee in April 2021 and to the full Fire Authority as part of the revised Constitution in June 2021.

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

The Authority's Annual Governance Statement provides assurances that the Authority has the necessary corporate governance arrangements in place to perform effectively. The Authority's Annual Governance Statement for 2021/22 was published on 31 May 2022 and presented to the Performance, Audit and Scrutiny Committee as part of the Authority's Statement of Accounts at its meeting in July 2023. The Authority's Code of Corporate Governance Framework supports the development of the Authority's Annual Governance Statement. The Code of Corporate Governance for 2022/23 was reviewed and revised in conjunction with Members and Officers during 2022/23 and was approved by the Performance Audit and Scrutiny Committee in May 2023.

Finance is a standing item on the agendas for all Directorate meetings, Service Leadership Team and Executive Leadership Team meetings, which are all held monthly. Finance reports, including budget setting, budget monitoring and the Statement of Accounts are also considered at Fire Authority, Resource Management Committee and Performance, Audit and Scrutiny Committee meetings. A full overview of the Service's financial planning arrangements has been provided at Principle C.

Treasury Management financial training was provided to Members and Officers by the Authority's Treasury Management Consultant Link Asset Services in January 2023.

Minutes, including decisions made at all Authority and Committee meetings are published on the Service's external website.

Review of whistleblowing Procedure.

Recognising that its staff are entitled to certain protections if they make a disclosure in the public interest regarding their employer's or a third party's actions, and indeed the invaluable benefits of encouraging their workforce to make any such disclosures to their ability to remain open, transparent and accountable, the Service has in place an effective Whistleblowing Procedure.

During 2022/23, the Human Resources department, in conjunction with the Authority's Monitoring Officer undertook a review of the Whistleblowing Procedure, ensuring it remains fit for purpose, legislatively sound and accessible to those that feel it necessary to use it. Following this review, the draft Procedure was presented to and approved by the Authority's Standards Committee in December 2022.

Opinion on the level of assurance that the governance arrangements can provide.

Review of Effectiveness

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the work of the Executive Leadership Team and other Senior Officers within the Authority who have responsibility for the development and maintenance of the governance environment. The work is supported by reports from internal and external auditors, while recommendations from peer assessors are also considered.

The effectiveness of the governance framework draws on evidence and assurances from:

- Fire Authority.
- Executive Leadership Team and appropriate Senior Officers.
- Scheme of Delegation to Officers.
- Resource Management Committee (RMC).
- Performance, Audit and Scrutiny Committee (PASC).
- Standards Committee.
- Internal Audit.
- External Audit.

Internal Audit

Carmarthenshire County Council Internal Audit Section have provided the Internal Audit function for Mid and West Wales Fire and Rescue Service since Local Government reorganisation in 1996. A 3-year Internal Audit Plan is agreed with the Section 151 Officer and Director of Resources and approved by the Performance, Audit and Scrutiny Committee. The 3-year plan is reviewed and updated every year to reflect current circumstances and priorities.

In accordance with the Accounts and Audit Regulations 2015 and the Public Sector Internal Auditing Standards, the Audit Manager is required to provide an opinion on the overall adequacy and effectiveness of the Authority's risk management, control, counter fraud and governance processes.

The Internal Audit Plan for the 2022/23 financial year was agreed with the Director of Resources, the Section 151 Officer and approved by the Performance, Audit and Scrutiny Committee in April 2022. The Performance, Audit and Scrutiny Committee has received progress reports on delivery of the plan along with final Internal Audit reports issued throughout 2022/23.

To date, seven Final Reports and one Draft Report have been issued relating to the 2022/23 Audit Plan. In addition, two reviews relating to 2021/22 were finalised during 2022/23. From these reports, levels of assurance assigned were two "high", seven "acceptable" and one "low". For the report receiving a "low" assurance there were five recommendations and all agreed actions were implemented during 2022/23. A follow-up audit for this function is planned for early 2024/25.

The Head of Internal Audit, within the Mid and West Wales Fire and Rescue Service Internal Audit Annual Report 2022/23, which will be reported to the Performance, Audit and Scrutiny Committee in July 2023, provided the following overall opinion:

“No system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance. This statement is intended to provide reasonable assurance that there are no major weaknesses in risk management, governance, and control processes.

In arriving at the overall opinion, the Head of Internal Audit has considered:

- the results of all work undertaken as part of the 2022/23 Internal Audit Programme.
- the results of work undertaken as part of the 2021/22 Internal Audit Programme, which have been concluded following the issue of last year’s Annual Report.
- the results of follow-up action of Internal Audit Reviews from current and previous years; and
- the acceptance of actions by Management (especially those deemed significant).

It is my opinion that the Authority has an **ACCEPTABLE** control environment in operation in respect of fundamental financial systems reviewed. There are clear Governance arrangements with defined Management responsibilities and Committee Structures in place and the control framework is generally sound and operated reasonably consistently. The Authority has an established Constitution, has developed Policies and approved Financial Regulations that provide advice and guidance to all staff and members.

Where weaknesses have been identified through Internal Audit review, we have worked with management to agree on appropriate corrective actions and a timescale for improvement”.

The recommendations from Internal Audit have been addressed via internal departmental action plans as applicable. Full details of the assurance provided by the Audit Manager along with plans to address the recommendations is detailed within the Internal Audit Annual Report for 2022/23.

External Audit

The Service’s external audit arrangements are facilitated by Audit Wales in respect of Audit of Accounts; Value for Money; Continuous Improvement; and the Sustainable Development Principle. Audit reports and certificates of compliance have been presented as required to Performance Audit and Scrutiny Committee and Fire Authority meetings during 2022/23.

Audit Wales, as external auditor to the Authority, review, and comment on the financial aspects of Corporate Governance, which includes the legality of financial transactions, systems of Internal Financial Control and standards of financial conduct, and fraud and corruption.

During 2022/23 in accordance with statutory timelines, the Authority presented the unaudited Statement of Accounts 2021/22 to Audit Wales for audit. The Auditor General is responsible for providing an opinion on whether the financial statements give a true and fair view of the financial position of the Authority and the Firefighters’ Pension Fund Account and its income and expenditure for the year then ended. Following the audit process, the Auditor General issued an unqualified report on the financial statements in July 2022.

Examination by external audit of the management information, financial procedure rules and financial instructions, contract standing orders, administrative arrangements (including segregation of duties) and management supervision, have in the main given general assurance regarding the control and proper administration of the Authority’s financial affairs, *as sufficient to provide an audit opinion in compliance with extant International Auditing Standards and to discharge the Auditor General’s statutory duties.*

Strategic and Service Director Assurances

The Authority has responsibility for conducting an annual review of the effectiveness of its governance framework. The review of effectiveness is informed by the work of the Senior Managers responsible for the development and maintenance of the governance environment, the Corporate Communications and Business Development department and by comments made by the External Auditors and other review agencies.

The CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government (2016) demands that assurance is provided on several governance arrangements relating to the organisation including financial control, reporting, approach to decision-making, compliance with relevant codes and the influence of the Chief Finance Officer within the organisation. These have been considered within the context of this Statement and it has been established that the Authority's arrangements conform to the CIPFA requirements.

The Authority has in place, via Internal Audit, a comprehensive assurance assessment process to ensure that the electronic data is secure and configured to current best practice to protect the organisation. The results of these assurances provide a positive opinion, but there are opportunities for improving the internal control environment to further mitigate risks.

The Internal Audit programme referred to in earlier paragraphs obtained assurances from the Service's Executive Board around the arrangements for managing their recognised core risk areas. This reflects the Executive Directors responsibilities for both the management of risk and the effectiveness of controls. These discussions were also informed by the regular assurance reports presented to Performance Audit and Scrutiny Committee by the Section 151 Officer, the Monitoring Officer, Internal and External Audit.

Governance issues to be addressed in 2023/24

Over the next twelve months, the Service will continue to deliver critical services to the communities it serves.

Led by the Service's Executive Leadership Team, the outcome of the Service's Cultural Audit will inform a revised Vision, Mission and Values for the Service. Recognising the importance of good organisational governance and decision making, a review of the Service's meeting structure, its decision-making processes, and the way in which it delivers against a set of actions, attitudes, aspirations and expectations, will also be concluded during 2023/24, building on the work that has already commenced during 2022/23.

The impact of spending reductions in the public sector and the settlements received by its constituent local authorities will continue to be carefully considered by the Authority in determining its Medium-Term Financial Strategy. Changes to pension and tax legislation will continue to provide challenges to the Service and the capacity to deal with complex issues with existing resources continues to be of concern.

The Service will continue to monitor the progress being made by Welsh Government in its discussions around the publication of a new Fire and Rescue National Framework for Wales, any new thematic reviews undertaken by the Chief Fire and Rescue Advisor, and any other changes to the way in which we are governed and advise the Authority on any implications for the Service.

We propose, over the coming year, to take actions relating to the above matters and others in order to further enhance our governance arrangements and reassure ourselves that we have robust, procedures, process and arrangements in place to ensure we are fully accountable. An Action Plan summarising the intended approach, Responsible Officers and Target Dates is attached at Appendix 2. We are satisfied that these steps will address the need for improvements and will monitor their implementation as part of our next annual review.

An update on the outstanding actions from previous years' Action Plans is included in Appendix 1.

The Governance Statement

The Authority considers that its governance arrangements for 2022/23 continue to be regarded as fit for purpose. The Authority's Code of Corporate Governance sets out in detail the Authority's Governance Framework, which is consistent with the CIPFA / SOLACE Delivering Good Governance in Local Government Framework (2016). The Authority has assessed and can confirm that the arrangements detailed within the Code are in place.

It is the view therefore of the Monitoring Officer and the Section 151 Officer, that the review of the governance arrangements for the financial year 2022/23 has in the main been satisfactory. We believe that the evidence provided demonstrates that the Corporate Governance in this organisation is effective, existing arrangements are fit for purpose, and the Authority is well placed to meet its strategic aims, to achieve its intended outcomes for citizens and service users. The organisation operates in an economical, effective, efficient and ethical manner.

Mid and West Wales Fire and Rescue Authority recognises its responsibility as a public service organisation to both provide a vision for the community it serves and to lead by example in its decision making and other processes and actions, with Members and Officers acting in accordance with high standards of conduct.

Certification

We have been advised on the implications of the review of the effectiveness of the governance framework by Senior Management and the Performance Audit and Scrutiny Committee. Actions identified to further develop the Authority's Governance arrangements to ensure continuous improvement of the Authority's systems are in place.

We pledge our commitment that over the coming year we will take steps to further enhance our governance arrangements. We are satisfied that we will address the need for any improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed:



Chair of the Fire Authority

Signed:



Chief Fire Officer

Appendix 1: Updates on outstanding actions from previous years

Governance	Action	Responsible Officer	Action Start Date	Progress	Target Date
Pension issues currently ongoing which the Authority is addressing	Transitional Protection In December 2018 the Court of Appeal handed down the judgment in the Firefighters transitional appeals case. The case relates only to the transitional protection arrangements in the 2015 Firefighters' pension scheme, and whether these are discriminatory. The judgment remits it to the employment tribunal to consider remedy, so it is likely to be many months before the impact on pensions is understood.	Head of Human Resources	2021/22	In July 2021, HM Treasury introduced the Public Service Pensions and Judicial Office's Bill (the Bill) to the house of Lords. The Bill is primary legislation that sets out in law how the Government will remove the discrimination contained within the 2015 reforms (referred to as remedy). The Bill is currently moving through the legislative process and Royal Assent was granted in April 2022. The Bill contains the timescales for implementing the remedy by no later than October 2023. Members who have retired or are due to retire prior to legislative arrangements being finalised are considered to be in Immediate Detriment (ID). The Service is now faced with the decision of whether to process ID cases ahead of the secondary	Ongoing. Position as of April 2023 is that the Service has paused any processing of Immediate Detriment pension calculations until new legal advice or guidance is received, as per the Resolution agreed by the Fire Authority in December 2021.



				<p>legislation. The risk to the Service is twofold:</p> <p>If the Service does not process ID cases, there is the risk of legal action being instigated by members.</p> <p>If the Service does process ID cases, there is a financial risk associated with potential tax complexities which may arise from processing ID cases ahead of the required changes to legislation.</p> <p>In November 2021, Members approved the adoption of the Framework for Managing Immediate Detriment (ID) issues.</p> <p>Subsequent to that decision, the Service received notification that the Home Office had withdrawn their informal guidance relating to processing ID cases, and HM Treasury advised that no ID cases should be processed before new legislation to enact the remedy</p>	
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				<p>was in place. The adoption of the Framework is now paused pending receipt of legal advice or guidance being obtained by the Local Government Association (LGA).</p> <p>The Service is engaging their Tax Consultants to provide a package of support relating to ID cases tax issues and working with its Scheme Administrators to determine the financial implications of processing ID cases.</p>	
Welsh Government White Paper on the reform of Fire and Rescue Authorities in Wales	Work in collaboration with Welsh Government and the other Fire and Rescue Authorities in Wales in order to consider the potential impact of any governance arrangements as a result of the implementation of one or more recommendations contained within the Welsh Governments White Paper on the reform of Fire and Rescue	Executive Board / Monitoring Officer to the Fire and Rescue Authority / Fire Authority Chair	2021/22	The Service continues to proactively engage with Welsh Government. Once Welsh Government direction of travel is released the Service will implement necessary actions if required.	Ongoing.



	Authorities in Wales.				
Internal Audit recommendations	Reflect on recommendations from Internal Audit and build into action plans.	Relevant Heads of Service	2022/23	Interim monitoring of recommendations by Internal Audit is undertaken by the Service's Business Risk Management Group.	As agreed with Internal Audit.
External Audit recommendations	Reflect on recommendations from External Audit and build into action plans.	Relevant Heads of Service	2022/23	Post a strategic decision to consider, accept and initiate a work stream to implement recommendations from External Audit programmes, interim monitoring of recommendations is now undertaken by the Service's Business Risk Management Group.	As agreed with External Audit.
Fire and Rescue Authority Constitution	<p>Code of Conduct for Members Consider any revisions required to the Authority's Constitution following the publication of the revised Code of Conduct for Members by the Public Ombudsman Wales.</p> <p>Model Constitution Consider any revisions to the Authority's Constitution</p>	Monitoring Officer	2021/22	Revisions of the Authority Constitution were considered, and where appropriate, implemented and approved in line with appropriate governance processes.	Complete



	emanating from the Model Constitution being developed to meet the requirements of the Local Government and Elections (Wales) Act.				
Local Government and Elections (Wales) 2021 Act	Consider any revisions required to the Service's Improvement Planning process following the partial repeal of the Local Government (Wales) Measure 2009 and the introduction of a new performance framework within the Local Government and Elections (Wales) Act 2021.	Monitoring Officer	2021/22	A National Framework Board has been established by Welsh Government who are in the process of drafting a new performance framework for the three Fire and Rescue Services in Wales. It remains unclear as to when the new Framework will be published.	Ongoing
Embed learning from Cultural Audit to inform the Service's revised Vision, Mission and Values.	Ensure all learning from the Culture Audit is embedded within the Service's governance and decision-making processes. Ensure the results of the Cultural Audit inform the Service's revised Vision, Mission and Values.	Executive Leadership Team Service Leadership Team	2022/23	Launched in January 2023 with the publication of an online survey to all staff, the process of data gathering concluded on March 24, 2023. Responses have now been collated and will be pulled into a report for consideration by the Service before formulating a delivery action plan.	March 2024
Review organisational	Facilitate a review of the Service's meeting structure,	Executive Leadership Team	2022/23	The Service's Executive and Senior	Ongoing



governance and decision making.	its decision-making processes, and the way in which it ensures it has delivered against a set of actions, attitudes, aspirations and expectations.	Service Leadership Team		Management Teams have engaged in workshops with an external provider to identify current challenges and identify possible improvements to the Service's governance processes. A report outlining the findings has been received and a further date to discuss the implementation of recommendations has been scheduled for July 2023.	
Coronavirus Pandemic – Lessons Learnt	Consider any recommendations for improvement as lessons are learnt from the Service's response and recovery to the Coronavirus Pandemic.	Executive and Service Leadership Teams and Heads of Department as relevant.	2021/22	<p>Throughout 2021/22 and 2022/23 the Service has managed a Covid-19 Lessons Learnt Project. Progress on the project has been reported quarterly through the Performance Audit and Scrutiny Committee meeting.</p> <p>In quarter four 2022/23, Covid-19 Lessons Learnt Project came to close, with the project team completing all actions and recommendations. the Performance Audit and Scrutiny</p>	Complete.

				Committee will receive a closure report at its meeting in May 2023.	
Address actions identified as part of the Financial Management Code assessment.	Ensure actions and recommendations identified within the Financial Management Code assessment are considered and addressed as required.	Executive Leadership Team Service Leadership Team	2021/22	<p>The FM Code was developed to guide public sector organisations in managing their finances and the specific standard they should seek to achieve.</p> <p>Throughout 2021/22, a self-assessment was undertaken to determine the extent to which the Authority's financial management arrangements comply with the FM Code.</p> <p>Of the 17 FM standards, the assessment determined that the Authority was "compliant" with 15 FM standards and "largely compliant" but some areas for improvement" for two of the standards.</p> <p>Standards G and M will continue to be addressed throughout 2023/24, through the good governance and decision-making</p>	Ongoing

				review commissioned by the Service and the ongoing development of the Service's Community Risk Management Plan.	
Induction of new Members to the Authority post local elections.	Ensure Members of the Authority receive appropriate induction sessions, training and awareness sessions to ensure the continuation of the Authority's good governance arrangements.	Monitoring Officer Executive Leadership Team Service Leadership Team	2022/23	A significant programme of education and training has been provided to all Authority members, both new and old, during 2022/23 to ensure they fully aware of their roles, responsibilities, duties and expectations as well as the wider work of the Service.	Complete
External Audit recommendations emanating from audit reports connected with other public bodies in Wales.	Reflect and consider good practice recommendations emanating from public audit reports published in connection with other public bodies in Wales.	Relevant Heads of Service	2021/22	Consideration of recommendations emanating from audit reports connected with other public bodies in Wales has taken place and where deemed appropriate, applied.	Complete



Appendix 2: Governance issues to be addressed in 2023/24

Governance	Action	Responsible Officer	Target Date
Prior Years' Action Plans	Review to ensure all actions identified are addressed.	Relevant Heads of Service	See updates in Appendix 1
Internal Audit recommendations	Reflect on recommendations from Internal Audit and build into action plans.	Relevant Heads of Service	As agreed with Internal Audit.
External Audit recommendations	Reflect on recommendations from External Audit and build into action plans.	Relevant Heads of Service	As agreed with External Audit.
Green book job evaluation process	Reflect on the green book job evaluation process and review linked business processes to ensure a robust programme of ongoing assurance around the portfolio of green book roles within the Service.	Director of Resources	December 2023
Introduce a new Service Website	Design, develop and implement a new Service website, ensuring it pays cognisance to and supports the Services' wider governance commitments and ongoing desire to support a robust communication, engagement and consultation programme with communities.	Director of Risk Management and Improvement, Corporate Head of Community Safety and Head of Corporate Communications and Business Development	February 2024
Fire Standards	Reflect on and consider good practice recommendations emanating from the implementation of Fire Standards across Fire and Rescue Service's in England	Relevant Heads of Service	Ongoing
Introduce a new staff appraisal process	A revised appraisal process for staff, aligned to the National Fire Chief Council leadership framework, behaviours and	Head of People Development	March 2024



	competencies will be launched in 2023/24.		
Conduct and implement findings from the Authority's Standards Investigation currently underway	<p>A Standards investigation into the conduct of a previous Fire Authority Member commenced in December 2022 and will progress in to the 2023/24 business year.</p> <p>As part of the hearing, consideration will be given to any learning points and recommendations formulated and shared for actioning by the Fire and Rescue Authority.</p>	Monitoring Officer	December 2023